



Date of issue: Wednesday, 29 January 2014

MEETING OVERVIEW & SCRUTINY COMMITTEE

(Councillors O'Connor (Chair), Bal, Davis, Hussain,

Malik, M S Mann, Minhas, Nazir and Smith)

DATE AND TIME:

THURSDAY, 6TH FEBRUARY, 2014 AT 6.30 PM

VENUE:

MEETING ROOM 3, CHALVEY COMMUNITY CENTRE,

THE GREEN, CHALVEY, SLOUGH, SL1 2SP

DEMOCRATIC SERVICES

GREG O'BRIEN

OFFICER:

(for all enquiries)

01753 875013

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 1

AGENDA REPORT TITLE PAGE WARD

Apologies for absence.

CONSTITUTIONAL MATTERS

Declaration of Interest



WARD

6.	Medium Term Financial Strategy 2014-18	149 - 172
7.	Treasury Management Strategy	173 - 200
8.	Capital Strategy: 2014-19	201 - 220
9.	Appointment to the Health Scrutiny Panel	221 - 222
10.	Forward Work Programme	223 - 226
11.	Attendance Record	227 - 228
12.	Date of Next Meeting	
	4 th March 2014	
	•	



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 furthers details.



Overview & Scrutiny Committee – Meeting held on Tuesday, 14th January, 2014.

Present:- Councillors O'Connor (Chair), Bal (arrived at 6.45pm), Davis, Malik, M S Mann, Minhas, Nazir and Smith (Vice-Chair)

Also present under Rule 30:- Councillors Parmar and Strutton

Apologies for Absence: Councillor Hussain

PARTI

52. Declarations of Interest

None.

53. Minutes of the Last Meeting held on 3rd December 2013

Resolved - That the minutes of the last meeting held on 3rd December 2013 be approved as a correct record.

54. Member Questions

There were no questions received from Members.

55. Childhood Obesity - Meeting 5: Sign off report

The Committee considered the draft final report of the Childhood Obesity Review, including nine draft recommendations for confirmation. The report had been compiled from the information provided for and considered by the Committee at four previous meetings, and put forward a number of conclusions based on the findings of the Committee.

The report was arranged under the following headings based on the steps taken by the Committee in carrying out the review:

- Does Slough have a problem with childhood obesity?
- What options are there to alter the physical environment?
- What is the role of schools and how can we support them?
- The need to encourage physical activity.
- What role can GPs and other primary care professionals play in tackling childhood obesity?

The Committee expressed its support for the report and the recommendations it contained. It showed that there was a great deal of good work already being carried out but at the same time identifying areas where through better communication and liaison between the parties further progress could be made. Given the prevalence of obesity at age 4-5 years and 10-11 years in

Slough shown by the National Child Measurement Programme, clear benefits would flow from encouraging more families to practice healthy living through exercise and physical activity together with healthy eating and drinking. Building on the work in this area taking place in Children's Centres and schools would be very important.

There were two issues raised which Members considered could be usefully referred to in the recommendations. Firstly, there was felt to be insufficient choice or opportunity to purchase low cost healthy food or drink items in many local shops. Secondly there was a concern that there was a possible gender imbalance in the opportunities on offer to young people in the provision of sport and physical activity, a matter which could be investigated.

The Committee noted that the findings of the review, together with all the recommendations, would be referred to the Cabinet for consideration, following which those recommendations relevant to the Slough CCG would be forwarded.

- **Resolved –** That the draft final report of the Childhood Obesity Review be approved and RECOMMENDED to the Cabinet, subject to:
 - (1) amendment to draft recommendation (a) to include the words "improve the scope of healthy offers across a range of price levels by local retailers";
 - (2) an additional recommendation to the effect that officers be commissioned 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; and
 - (3) an additional section in the report to acknowledge with thanks the input of all contributors to the Review.

56. Preparations for Individual Electoral Registration

The Committee considered a report containing an update on progress on Individual Electoral Registration (IER) and the actions Officers are taking to implement it.

IER was being implemented as a result of the Electoral Registration and Administration Act 2013 and would require each elector to register individually rather than via a household form as at present. Although the transition to IER would not start until after the European Parliamentary and local elections in May 2014, a great deal or preparatory work had been undertaken. The annual canvass normally carried out each autumn had been deferred, was taking place at the moment with the new register due to be published in February 2014.

The transition would begin following the May elections with the confirmation of electors, a data matching exercise of the elector's name on the electoral register with information held by the Department of Work and Pensions (DWP). If this can be matched, that entry on the register will be confirmed,

the elector will be notified and they will not need to take any further action. Evidence from a dry run of the data matching carried out in 2013 suggests that about 70% of electors could be confirmed in this way. The Electoral Registration Officer (ERO) will then invite people on the register who have not been confirmed, and any others thought to be eligible, to apply to register individually. People will be reminded more than once and if they still do not respond, they will be visited by a canvasser before a new electoral register is published in December 2014. Between this date and the General Election in 2015 further efforts will be made to encourage those people missing from the register to apply, people who have moved house to update their details, and those who have not yet applied individually to do so. A full household canvass will take place in the autumn of 2015, followed by publication of a new register in December 2015, with completion of the transition to IER by January 2016.

The preparations undertaken for implementation of IER had included a restructuring of the Electoral Services Team, with additional posts on fixed term contracts until 31st December 2015, to increase management resilience and capacity. A project team of key staff had been established to plan and carry out the necessary action, including a significant input from the Council's IT team and the Council's Election Management System (EMS) supplier as regards system upgrades, new hardware and testing connectivity with Government's Digital Service. Additional funding had been provided by central government in the form of a £7,000 grant in April 2013 for the cost of change management and the data matching dry run. The Council was also due to receive Transition Fund grant (allocated by formula) of £67,004 in 2014/15. However the significant additional costs, including printing, postage and additional canvasser visits, required for implementation and maintenance of IER were likely to exceed the grant received. It is not known whether the grant will be a one-off or recurrent payment and the budget implications and a claim for additional funding were being assessed.

The Committee noted that in order to mitigate the risk of large numbers of eligible voters being deterred from registering, plans were in hand for a robust information strategy which was capable of achieving high levels of engagement with local communities to maintain and improve registration rates. Nevertheless, it was anticipated there would be in the region of 20,000 people registered whose details will not be matched with the DWP data, who would need to be invited individually to register by supplying their name, address, date of birth and National Insurance (NI) number. In answer to a question about how residents originally born overseas who had never been issued with a NI number could successfully register, it was explained there was an exception process which would allow other documents to be produced in place of an NI number. Attention was also drawn to a change introduced under IER whereby it would no longer be a legal requirement to register. However, there was a provision for Council's to issue a fixed penalty notice on persons refusing to register, a position the Committee found anomalous.

The Committee also noted it was proposed to invite the IER Regional Delivery Manager to brief members following the elections in May.

Reference was made to a recent Electoral Commission review of electoral fraud recommending that voters should be required to show ID at polling stations to tighten up security. These proposals would be developed for consultation but primary legislation would be required in order to implement them. The report also recommended action to tackle the risk electoral fraud particularly in higher risk areas, of which it was suggested Slough was one having had a history of cases of alleged fraud. The Committee noted the security precautions in place to deter fraudulent applications, the scrutiny given to new applications to register or vote by post, and the monitoring of the delivery of application forms so that the source could be traced.

Resolved -

- (a) That the report be noted.
- (b) That comments be fed back to Government that for Individual Electoral Registration to include provision for a fixed penalty notice to be issued for persons refusing to register whilst containing no legal requirement to register is anomalous and unworkable.

57. Bus Station - Access and Management Issues

The Committee considered a report containing information about access to facilities at and management of the Bus Station project, arising from a request from Cllr Strutton.

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 was carried out through the HoS project consultation. Details of the reports made to the Cabinet and Committees were set out and full details of the consultation exercises were presented to the Neighbourhood and Community Services Scrutiny Panel in January 2013. Although it was not clear that targeted consultation was carried out with disability and access groups, it was quite evident that the extensive consultation would have ensured that any group with an interest in the proposals would have had the opportunity to comment.

The design of the bus station included a toilet for the disabled and a waiting room. These facilities were included in the lease of the café, and it is a condition of the lease that the café operator is responsible for keeping them open as well as for their maintenance/cleaning. The lease is currently under review although the maintenance responsibilities will remain unchanged. Additionally there is a wheelchair accessible public toilet that is easily accessed from the bus station, available at all times, which was maintained at no cost to the Council, although owing to delays this had been operational only since autumn 2013. The Committee noted that 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 the construction stage through effective consultation with disabilities groups.

Following completion of the bus station and the infrastructure works in the HoS, a 'lessons learned' workshop was held in early 2013. This focussed on the process of how the Council clients major projects rather than the details of the specific actions undertaken before and during the major construction. The Committee was informed that the Council's communications and consultation processes had improved significantly since the bus station project had commenced. For instance, during the design and construction of the Britwell Hub there had been extensive consultation with local groups as well as individuals feeding back written comments via forms for the purpose. As a result the responses had been used to inform and influence the design. In the design work going into The Curve project, extensive consultation had taken place with the Council's own Disabilities Forum comprising members of staff, and very useful comments in relation to induction loops, carpets, toilets, parking facilities and other such details had been received. It was recognised that 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.

Following answers to questions, it was established that with the exception of the Planning Committee, consideration of the planning application (which of course did not deal with detailed matters of design) there had been little direct member involvement in projects such as the bus station or The Curve. The recent presentation about The Curve, to which all members had been invited, had been poorly attended. As a result there had been limited opportunity for members to comment on detailed aspects of these projects as design evolved and construction began. It was suggested that this could be rectified if a core group of members was set up for each major project undertaken with whom consultations could take place. It was noted that project management for The Curve was being undertaken by Morgan Sindall, the Council's partner in the Slough Regeneration Project.

Resolved -

- (a) That the report be noted.
- (b) To RECOMMEND 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.
- (c) 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.

58. Forward Work Programme

The Committee considered the current work programme for the Committee for the remainder of the 2013/14 year.

Resolved - That the work programme be noted, subject to:

- (1) the addition of a report at the February meeting on Montem Leisure Facilities Options for the Future;
- (2) a composite report to the April meeting to cover the review of job clubs, apprenticeships, work experience and Aspire; and
- (3) an information report to the April meeting about the Loanshark Service.

59. Attendance Record

Resolved - That the Members' attendance record be noted.

60. Date of Next Meeting

The date of the next meeting was confirmed as 6th February 2014.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.05 pm)

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE**: 6th 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

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

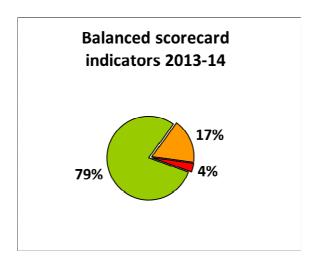
- 2.1 The Committee is requested to scrutinise and comment on the following aspects of the report, as recommended to Cabinet:
 - (a) To note the latest forecast financial information for the 2013-14 financial year;
 - (b) To note the Council's performance against the balance scorecard indicators to date 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

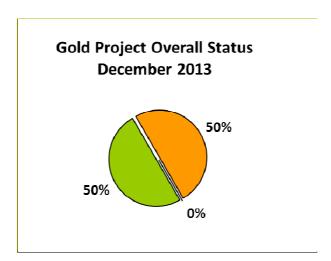
- 3.1.1 The Council is forecasting to underspend by £0.003m as at month 9. The move to a small underspend is the net result of an in-year savings initiative conducted over the recent months to bring the council's budget back into balance. This position needs to be maintained as any resulting overspend 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 <u>Corporate Plan 2013/14</u>

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

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	none
Communications	None	none
Community Safety	None	None
Financial; Detailed in the report and above	As identified	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 <u>Human Rights Act and Other Legal Implications</u>

There are no Human Rights Act Implications of this paper Equalities Impact Assessment

No identified need for the completion of an EIA

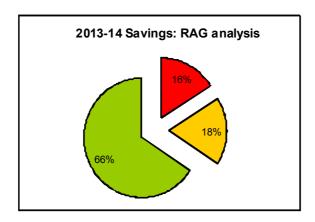
Supporting Information

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 reassessed 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	The second secon
	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	Reason
From	То	£'000	
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 ± 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 31st 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 1st December 2013, and therefore has been <u>removed</u> 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: 31st December 2013

	Gold Project Name	Overall status	Timeline	Budget	Issues + Risks	Sponsor authorisation status
1	Accommodation & Flexible Working	GREEN	Green	Amber	Green	Approved
2	Fit for the Future Programme	GREEN	Green	Green	Amber ↓ (was Green)	Draft
3	Learning Disabilities Change Programme	Green	Green	Green	Amber	Approved
4	Safeguarding Improvement Plan	AMBER	Amber	Amber (was Green)	Red	Approved
5	School Places Programme <i>new</i>	AMBER	Amber	Green	Amber	Approved
6	The Curve	AMBER	Amber	Amber	Amber	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 28th January 2014. The Consolidated Capital Expenditure as at 31st December 2013 can be found in the following table:

		Expenditure					
Directorate	Budget	Actual	Projection	Balance			
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			
Total	65,637	18,350	44,447	21,190			

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 12th 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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SLOUGH BOROUGH COUNCIL 2013/14 BUDGET MONITORING PERIOD 9 - December 2013

			Variance:
	Net		Over /
	Current	Projected	(Under)
Directorate	Budget	Outturn	Spend
	£'M	£'M	£'M
	~	~	~
Wellbeing			
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)
Total Wellbeing	63.521	63.708	0.187
Total Schools	(0.420)	(0.420)	0.000
Customer and Community Services			
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)
Total Customer and Community Services	19.692	19.162	(0.530)
•			
Regeneration, Housing and Resources			
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)
Total Regeneration, Housing and Resources	24.422	24.179	(0.243)
Chief Executive			
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
Total Chief Executive	4.583	4.583	0.000
Total Corporate	(0.150)	0.510	0.660
Total Net Cost of Services	111.647	111.721	0.074
% of revenue budget over/(under) spent by Services			0.1%
Total Non Distributed Costs	2.603	2.603	0.000
Total General Fund	114.250	114.324	0.074
% of revenue budget over/(under) spent in total			0.1%

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Appendix B

Consolidated Capital Expenditure as at 31st DECEMBER 2013

		Expenditure					
Directorate	Budget	Actual	Projection	Balance			
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			
Total	65,637	18,350	44,447	21,190			

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.

Cost Centre	Project	2013/14 Budget	2013/14 Re- profiled Budget	Actual	Q4	Total Projection	Balance
	Education Company	£'000	£'000	£'000	£'000	£'000	£'000
D7.40	Education Services	450	100	00	20	400	•
P749	Repairs to Children's Centres	150 50	102 0	20	82	102 0	0
	Repairs to Youth Centres 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	*	150	170	14	156	170	0
P095	Monksfield Way Children's Centre	150	-	14		170	U
D0.40	Children's Centre IT	4-7	35	0.5	35	0.5	40
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
	Total Education Services	13,877	9,404	6,638	2,714	9,317	52

Resources, Housing & Regeneration

Cost Centre		2013/14	Actual	Q4	Total Projection	Balance
	Project					
		£'000	£'000	£'000	£'000	£'000
	Resources, Housing and Regeneration					
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
	Total RHR (excluding Heart of Slough)	6,300	2,041	2,042	5,356	944
	Heart of Slough					
P060	Station Forecourt	20	0	20	20	0
P064	Infrastructure	400	68	132	200	200
P063	Bus Station	600	236	239	475	125
	Total Heart of Slough	1,020	304	391	695	325

Customer and Community Services

Cost Centre	Project	2013/14	Actual	Q4	Total Projection	Balance
	Project	£'000	£'000	£'000	£'000	£'000
	Customer & Community Services			12000	2000	2000
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)
	Total Customer & Community Services	13,099	2,477	5,856	8,333	4,766

	Project	2013/14	Actual	Q4	Total Projection	Balance
	Floject	£'000	£'000	£'000	£'000	£'000
	Housing Revenue Account	2000	~ 000	~ 000	2 000	2 000
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)
	Decent Homes	7,610	2,340	4,882	7,198	412
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

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

Chief Executive

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

Slough Regeneration Partnership

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

Community Investment Fund (Capital Only)

Community Investment Fund (Capital Only)	2013/14 Budget	2013/14 Actual	2013/14 Balance	2013/14 Projection
Description	£'000	£'000	£'000	£'000
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
Danie a successive at a large 2 and a management	200		200	200
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
TOTAL	1,388	511	877	1,218

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", "Regeneration and the Environment" and "Safer Communities".

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 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 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.

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

				Customer Focus	cus		
Performance Indicator	Date	Baseline	2013-14	Actual	Direction	RAG	Comments
Number of Freedom of Information	updated 22-lan-14	75.6	target n/a	65	of travel	rating n/a	This is a volume indicator monitored on the basis of ensuring
requests made (total across whole council)		[average per month 2011-12]	5	[Dec 2013]	5	5	appropriate resource to respond, and to inform public information releases.
		786		97.5 monthly			92 requests were received in December, totalling 1,170 for the year
		[average per month		average year to			to December 2013 - an average of 97.5 per month.
		2012-13]		date			The number of FUI 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 Fol requests at 41% of all requests received between January and November 2013.
Proportion of Freedom of	11-Dec-13	32%	n/a	42%	n/a	n/a	The measure seeks to assess the degree of 'repetition' that exists
Information requests made in month		[March 2012]		36 of 92			within Fol applications, and states the proportion of Fol applications
by people who had made at least				[Dec 2013]			made by individuals who have made at least one other Fol
one previous Fol application in the		45%					application in the preceding 12 months. Across the whole year to
past 12 months		[March 2012]					end of December 2013, 42% of all Fol requests made were by
ge							individuals with a history of previous requests. Some requesters are
32							particularly enthusiastic: for example, in the same period one
							individual made at least 77 separate applications, or 7% of all the
					ı		requests received.
Number of stage 1 complaints made	22-Jan-14	Total: 638	45 or fewer	Total: 509	→	Green	December 2013 saw 42 stage one complaints logged, a total for the
(across the council, including avarto)		53.2 monthly	per month	42.4 monthly			year-to-date of 509, with a monthly average for this period of 42.4.
		average		average year to			This represents a small increase over 2012-13 levels.
		[2011-12]		date			Following specific complaint training council wide over the last year,
		Totol: 442		[year to Dec			departments are recognising and logging complaints, these figures
		10tal: 442 36.8 monthly		2013]			therefore represent a significant improvement over historic patterns
		Social months					in the quality of SBC services, and / or a much improved
		average [2012-13]					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 nignest volumes of
							compidints.

					People			
	Performance Indicator	Date updated	Baseline	2013-14 target	Actual	Direction of travel	RAG rating	Comments
	Number of staff in establishment	Oct-13	1,521	reduce	1,256	←	Green	Number of staff has reduced as new models of service delivery are
	(headcount)		[Q4 2011-12]		[Sept 2013]			implemented.
			1,413 [Q4 2012-13]					
	Number of staff in establishment	Oct-13	1,286.9	reduce	982.20	+	Green	Number of staff has reduced as new models of service delivery are
	(FTE - 'full time equivalent')		[Q4 2011-12]		[Sept 2013]			implemented.
			1 136 8					
			1,130.3 [Q4 2012-13]					
	Staff turnover (resignations only)	Oct-13	%5'5	5-15%	%8'6	+	Green	Green Data is provided as a 'rolling year' position.
			[2011-12]	_	[year to Sept-			We have seen an increase in staff resignations, moving towards the
			;		13]			national average for the sector.
			7.9%					
	Average staff sickness rate (days lost	Aug-13	11.6 days	8.5 days by	10.2	+	Green	Data is still being verified for quarter 2, hence no further update is
Pa	Der FTE)		[2011-12]	Sept 2013.	[year to July-			available for this current report.
ge				6.5 days by	13]			Data is provided as a 'rolling year' position.
3			9.9 days	Sept 2014.				Reductions in sickness have levelled since last reporting period.
3			[2012-13]					Managers and Staff encouraged to use overall Balanced Scorecard
								diagnostically to focus on areas of high sickness.

					Economy and Skills	Skills		
	Performance Indicator	Date updated	Baseline	2013-14 target	Actual	Direction of travel	RAG rating	Comments
ĮΖ	Number of Slough primary schools in	22-Jan-14	2	0	4	*	Amber	Amber Work is underway between the council and school leadership teams
š	special measures or with notice to		[Mar-12]		[Dec-13]			to address concerns raised and implement improvement activity at
<u>.=</u>	improve		m					individual schools.
			[Mar-13]					
<	New: % of pupils achieving a good	Oct-13	New indicator	increase	50.1%	n/a	n/a	This is a new indicator that was introduced by DfE this year to
<u>e</u>	level of development across the Early		for 2012/13		[2012-13]			replace the percentage of pupils achieving at least 78 points across
<u>×</u>	Years Foundation Stage.							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%).
<	New: % of pupils achieving level 4 or	Sep-13	73%	increase	Provisional	+	Green	This is a new indicator that was introduced by DfE this year to
Ö	above in reading, writing and		[2011-12]		74%			replace the percentage of pupils achieving level 4 or above in
	mathematics at Key Stage 2				[2012-13]			english & mathematics at Key Stage 2 . Achievement in the 2012-13
Pa								academic year shows a 1% improvement on the previous year.
ge								However, other authorities have also improved such that Slough's
34								performance in 2012-13 is 2% under the England average (76%).
ļ								
%	% of pupils achieving 5 or more	Oct-13	68.1%	increase	Provisional	+	Green	Achievement in the 2012/13 academic year. Provisional data from
<u></u> 0	GCSEs at A* - C (including English and		[2010-11]		70.8%			the Department for Education shows that performance in Slough
≥	iviatris)		70,70		[2012-13]			Schools has improved by 4.7% from 66.1% in 2011/12 to 70.8%
			66.1%					ZULZ/ L3. Slough S result remains well above both the England
			[7011-17]					average of 56.8% for 2012/13.

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				Economy and Skills	Skills		
	Date		2013-14	10.040	Direction	RAG	
Performance Indicator	updated	baseline	target	Actual	of travel	rating	Comments
Unemployment: Overall	22-Jan-14	3.7%	maintain at	2.9%	+	Green	JSA claimant rate in November has reduced to 2.9%, comprising
unemployment rate: proportion of		[Mar-13]	low level	[November			2,730 people.
resident population of area aged 16-			compared to	2013]			The council and partners are seeking to increase employment
64 claiming Job Seekers Allowance			national value				opportunities and improve skills to secure a reduction in overall
(JSA)							unemployment. Local value is historically better than nationally but
							remains high for the South East of England.
							The Council is continuing its work with partners to support the
Comparisons for latest data:							unemployed off unemployment benefit and back into the labour
National: 3.0% South East: 1.9%							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.
							In relation to employment at Heathrow Airport, SBC is part of the
Pa							Academy Model around retail, construction and aviation. Our
ıge							programme prepares interested individuals who are then referred to
: 3							the relevant Academy. The academy prepares the individual further
5							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.
							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.

				Economy and Skills	Skills		
Performance Indicator	Date updated	Baseline	2013-14 target	Actual	Direction of travel	RAG rating	Comments
Unemployment: Proportion of unemployed 18-24 year olds who have been unemployed for more than 6 months (JSA claimants).	22-Jan-14	33.3% [Mar-13]	decrease	31.4% [Nov-13]	←	Green	In November a total of 615 people aged 18-24 were claiming JSA; 190 of these were claims of 6 months or more. All the programmes referenced in the preceding indicator are open to all cohorts, including young unemployed. The council seeks to to engage with young unemployed residents to increase their employment opportunities and secure a reduction in long term unemployment. 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. This time of the year will also see an increased level of unemployment amongst this cohort.
Unemployment: Proportion of the economically inactive working-age population who state they want a job. Measure derives from ONS Annual Population Survey, and is updated quarterly.] National: 27.0% South East: 24.7%	Oct-13	24.4% [year to March 2012]	increase	22.4% [year to June 2013]	*	Amber	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. 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. 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.

Health and Wellbeing

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.

soften commodand	Date	orilosea	2013-14	len#ov	Direction	RAG	2 monard
reflormance mulcator	updated	Daseillie	target	Actual	of travel	rating	Comments
Prevalence of modelled adult obesity	Aug-12	23.7%	reducing,		n/a	Green	N.B. only one data set has been released to date by national
as measured by the Health Survey for		[2006-2008]	under 24.2%				Government. Although obesity is a significant health concern, there
England			[England				is a shortage of robust local data on prevalence.
			value]				
Prevalence of childhood obesity at	22-Jan-14	10.8%	reduce closer	12.4%	*	Amber	Measured annually. Latest data for 2012-13 year has just been
start of primary school (Reception) as		[2009-10]	to national	[2012-13]			released.
measured by the NCMP			rate				Slough has a higher rate of childhood obesity than the national
		11.0%					average in 2012-13 (9.3%) and this has increased from the 11.8%
		[2010-11]					established in 2011-12. The gap between Slough and England has
		11.8%					marginally increased.
		[2011-12]					Partnership actions and impact are being reviewed and revised by
P		•					the relevant Priority Group of the Children & Young People's
ag							Partnership.
Prevalence of childhood obesity at	22-Jan-14	21.4%	reduce closer	20.7%	+	Green	Measured annually. Latest data for 2012-13 year has just been
end of primary school (Year 6) as		[2009-10]	to national	[2012-13]			released.
measured by the NCMP			rate				Slough has a higher rate of childhood obesity than national average
		21.2%					(18.9%) although this has decreased marginally, with the gap
		[2010-11]					between Slough and England narrowing in the past year.
		21.3%					Partnership actions and impact are being reviewed and revised by
		[2011-12]					the relevant Priority Group of the Children & Young People's
		•					Partnership.

				Housing			
Performance Indicator	Date	Baseline	2013-14	Actual	Direction	RAG	Comments
	updated	Daseille	target	Actual	of travel	rating	Comments
Number of Housing Benefit	22-Jan-14	11,590	n/a	11,642	n/a	n/a	
Claimants		[Mar-12]		[Dec-13]			This is a volume indicator, monitored on the basis of ensuring
							appropriate resource to respond to public need.
		11,722					A slight reduction from 11,732 claimants in November 2013.
		[Mar-13]					
Number of Council Tax Benefit	22-Jan-14	11,710	n/a	10,867	n/a	n/a	
Claimants		[Mar-12]		[Dec-13]			This is a volume indicator, monitored on the basis of ensuring
							appropriate resource to respond to public need.
		11,800					A slight decrease from 10,936 claimants in November 2013.
		[Mar-13]					
Speed of Processing of Housing	22-Jan-14		Provisional	In month	+	Green	Within December, both components of this indicator achieve the
Benefit and Council Tax Benefit		(a) 19 days	targets	performance			target values: processing new claims (16.26 days) and processing
claims:		(b) 8 days					Changes of Circumstances (9.73 days).
(a) New Claims		[2011-12]	(a) 20 days	(a) 16.3 days			However, despite this recent improvement, the cumulative
P							performance for 2013-14 remains in excess of target (at 21.38 and
(b) Change of Circumstances		(a) 27.54 days	(b) 10 days	(b) 9.7 days			11.83 days respectively).
eS		(b) 13.99 days					Now that the benchmarking has taken place these targets are being
England 2011-12 : (a) 24 (b) 9		[2012-13]	(or fewer)	[Dec-13]			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	22-lan-14	Ub	85 or less	7.2	•	Green	A derrease from 81 households in November 2013
accommodation		[Mar-12]		[Dec-13]	•		Homelessness is increasing both locally, regionally and nationally.
							The demand for temporary accommodation is predicted to increase.
		87					We are increasing our permanent offers to those cases on the
		[Mar-13]					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.

			Regene	Regeneration and the Environment	Environme	Ħ		
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] 83.0%	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]. Local punctuality is above the England value for 2012/13 (82.8%).	
The percentage of household waste sent for reuse, recycling or composting.	22-Jan-14	29.9% [2012-13] [2012-13]	>30.7%	29.7% [year to Sept 2013]	→	Amber	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.	
							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 by to landfill.	22-Jan-14	6.4% [2011-12] 9.9% [2012-13]	<6.4%	7.1% [year to Sept 2013]	←	Amber	Amber Latest results show an improved position (lower percentage of waste disposed by landfill) on previous report. 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. 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%).	

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

				Safer Commun	nities		
Dorforman Contractor	Date	Baselina	2013-14	len42V	Direction	RAG	Commonte
	updated	Dascille	target	Actual	of travel	rating	Collinents
% of children looked after adopted	22-Jan-14	27.6%	above 8%	18.2%	+	Green	Current performance represents 26 children who have secured
from care or granted a special		[2011-12]		[yr to Nov-13]			permanent family homes due to adoption or special guardianship
guardianship order (in year to date)							arrangements in the past 12 months.
		14.9% [2012-13]					
Number (and %) of Adult	22-Jan-14	38%	low number	%88	→ ←	Green	Provisional data: This month the proportion of safeguarding
Safeguarding Alerts that led to a			30-40%	12 of 32			referrals requiring progression to strategy meetings remains within
strategy meeting per month		[2012-13 year]		[Dec-13]			target tolerance.
							Across the whole of the 2013-14 period to date, this value remains
Our 'tolerance' target of 30-40% has							on target tolerance (at 35%).
been set as a guide for ensuring we							Activities underway to ensure this is maintained include:
receive all appropriate safeguarding							All safeguarding alerts are triaged by a Designated Safeguarding
concerns for consideration - without							Manager (DSM) to determine whether they need to progress
casting our net either too widely or too							through the safeguarding process. The levels of response guidance
narrowly.							נוו סמפון נווכ סמובפעמו מוויפ או סייניסיי וווכ וכאכוז כן וכאכוז פעוממווכר
RED = miss target for 3 consecutive							nas been reissued to all DSMis enabling them to determine the need
months in same direction.							for a safeguarding response to keep individuals safe or whether
age							other processes are more appropriate eg care management review,
- е 4							referral to other agencies eg Womens Aid, Anti Social Behaviour
.1							Team.

				Safer Commur	nities		
Performance Indicator	Date	Baseline	2013-14	Actual	Direction	RAG	Comments
Derrentage of Adult Safeguarding	22-lan-14	81%	shove 80%	03%	o ilavei	Groon	Drowisional data: On target this month and for the whole of the 2013.
strategy meetings taking place within	4T-110C-77	0/10	820ve 90%	13 of 14	•	פֿענו	14 period to date (94%).
5 working days of referral per month		[2012-13 year]		[Dec-13]			Activities are being sustained to maintain target achievement as follows:
							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.
							All DSMIs 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 exceptional circumstances. This was
							discussed and agreed at January Care Governance Board. The Cloudh Cafemuarding December is being regions of the second to provide more
							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
Ī							meetings have occurred but not been comprehensively recorded.
Page							
Crime rates per 1,000 population:	Oct-13	110.49	reducing	66'98	+	Green	Green Data to end of December will become available shortly
All crime		[2011/12]		[year to Sept-			
(cumulative from April)				13]			A significant decrease in crime rates has been secured, which
		89.75 [2012/13]					represents a real decrease in crime levels.
Crime rates per 1,000 population:	Oct-13	22.60	reducing	16.37	←	Green	Crime rates for September 2012/13 when compared to September
Violence against the person		[2011/12]		[year to Sept-			2011/12 saw a reduction in all three crime rates.
(cumulative from April)		16.68		13]			
		[2012/13]					All crime reduced by 7% (was 93.44);
Crime rates per 1,000 population:	Oct-13	25.70	reducing	19.44	←	Green	Violence against the person reduced by 7% (was 17.55) and
Serious acquisitive crime		[2011/12]		[year to Sept-			
(cumulative from April)		20.53		13]			Serious acquisitive crime reduced by 11% (was 21.82).
		[2012/13]					

Accommodation 8	ation & Flexible Working		Project SPONSOR	3	
Wards affected			Project MANAGER	Charan Dhillon	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	AMBER	GREEN	GREEN	31/12/2013
Previous month	GREEN	AMBER	GREEN	GREEN 29/11/2013	
Project start date:	01/04/2013		Anticipated Project	end date:	TBC

Timeline graph to be inserted once the project end date has been agreed

Has this highlight report been agreed and authorised by the Project Sponsor? Yes ☑ No (draft) ☐ Key activities completed / milestones achieved in **this** period:

- 1. OJEU advert issued by Property Services for the Mechanical & Electrical and building works on 10th Dec 2013.
- 2. Finance Home working pilot is continuing to go well.
- 3. Simon Atherton, auditor attended the last accommodation board meeting. Awaiting feedback.
- 4. Wi-Fi Options paper prepared IT obtaining associated costs.
- 5. Layout plans amended in response to further feedback from management.
- 6. Nimble Storage solution being configured by Arvato. Once complete a programme will be developed to commence the DIP project.
- 7. Hub set up at Chalvey with 2 PCs available for staff to work at when between meetings.
- 8. 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.
- 9. 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 2nd floor west wing, in preparation for the mechanical & electrical works needs to be reviewed.

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

- 1. New front of house furniture being installed January 2014 at LMP.
- 2. Communication to be sent to staff updating them on progress and letting them know that the Hub is set up at Chalvey Community Centre.
- 3. Programme for building works and staff moves will start to be drafted.
- 4. 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.
- 5. 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 2nd floor west.

Key issues of risk / obstacles to progress:

Recommendations for CMT:

1. To support the project board with the proposed changes to working practices.

Fit for the Future Project		Project SPONSOR	Ruth Bagley			
Wards affected:		Project Tracy Butt MANAGER		Tracy Butterworth	h	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report	
Current period	GREEN	GREEN	AMBER	GREEN	08/01/2014	
Previous month	GREEN	GREEN	GREEN	GREEN	09/12/2013	
Project start date:	08/10/2013		Anticipated Project	end date:	21/05/2014	
Completed						
0% 10%	20% 30%	40% 50	% 60% 7 0%	80% 90%	100%	

Has this highlight report been agreed and authorised by the Project Sponsor? Yes □ No (draft) ☑ Key activities completed / milestones achieved in **this** period:

- 1. Draft OD and HR strategies submitted to CMT on 16 December 2013.
- 2. HR and OD Skills Development Programme complete. Coaching ongoing.
- 3. Leadership Development Programme ongoing with good feedback on module 1. Coaching ongoing.
- 4. Review of People Management Practice ongoing. Focus groups completed in December 2013.
- 5. CMT Development Programme ongoing.
- 6. Management Development Programme begins 22 January 2014. Places offered currently oversubscribed.
- 7. Aspiring Leaders. Panel shortlisting now complete and places offered on development centre.
- 8. Skill transfer programme agreed and distributed. HR and L&D volunteers have expressed interest in rolling out programme delivery.

Key activities/milestones scheduled for next period.

- 1. Q&A with CMT in order to facilitate final sign off of HR and OD strategies.
- HR and L&D coaching programmes ongoing.
- 3. Module 2 "Leading Change" takes place on 17 January 2014. Coaching programmes ongoing.
- 4. Review of customer feedback and submission of recommendations for future people management practice.
- 5. CMT development programme continues.
- 6. Module 1 Management Development Programme "Strategic Awareness" takes place 22 January 2014.
- 7. All applicants for Aspiring Leaders to receive feedback on their expressions of interest from the panel, via their manager by 20 January 2014.
- 8. Skill transfer workshop on 16th January 2014 for HR and L&D practitioners involved in the Management Development and Aspiring Leaders Programmes. Project start up meeting to be organised.

Key issues of risk / obstacles to progress:

- 1. 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.
- 2. 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.
- 3. Members, key stakeholders and staff not being engaged in the need for change. As December

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.

Learning Disabilities Change Programme			Project SPONSOR	Jane Wood			
Wards affected: All		Project MANAGER	Alan Sinclair				
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report		
Current period	GREEN	GREEN	AMBER	GREEN	06/01/2014		
Previous month	GREEN	GREEN	AMBER	GREEN	05/12/2013		
Project start date:	September 20)12	Anticipated Project	end date:	March 2016		
Completed Remaining 90% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%							

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

<u>Context</u>

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.

- 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.
- 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

- 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.

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1. To note the update.

		Project MANAGER	Kitty Ferris	
line	Budget	Issues & Risks	OVERALL STATUS	Date of update report
BER	AMBER	RED	AMBER	23/12/2013
BER	GREEN	RED	AMBER	30/11/2013
2011		Anticipated Pro	oject end date:	End 2013/14
Complete	d .		Remaining	
		90%		100%
	BER BER 2011	BER AMBER BER GREEN	line Budget Issues & Risks BER AMBER RED BER GREEN RED 2011 Anticipated Pro	line Budget Issues & OVERALL Risks STATUS BER AMBER RED AMBER BER GREEN RED AMBER 2011 Anticipated Project end date: Completed Remaining

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 –From19th November-11th 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.

- Full business case completed for MTFF 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.

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

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 Castleview 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.

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.

The Curve			Project	Roger Parkin		
			SPONSOR			
Wards affected: A	All		Project	Executive Andrev	v Stevens	
			MANAGER	Manager Mark Bradbury		
	Timeline	Budget	Issues & Risks	OVERALL	Date of update	
				STATUS	report	
December 2013	AMBER	AMBER	AMBER	AMBER	27/12/2013	
Previous month	AMBER	AMBER	AMBER	AMBER	29/11/2013	
Project start date:	01/10/2013		Anticipated Project end date: 21/09/2015			

Comp	oleted	1 1			Rem	aining	, , , , ,			
0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%

Has this highlight report been agreed and authorised by the Project Sponsor? Yes ☑ No (draft) ☐ Key activities completed / milestones achieved in **this** period:

- 1. On track in agreements with neighbouring landlords, including Criterion and St Ethelbert's.
- 2. Financial close and completion of sign-off achieved on 11th December 2015.
- 3. Press release on financial close.
- 4. Capital budgets revised within target.
- 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.

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

- 1. Update and complete project plan and project documentation.
- 2. Construction works start on site 13 January 2014.
- 3. Completion of agreements with Criterion and St Ethelbert's church.
- 4. Press photo call on start of work on site 13 January 2014.
- 5. NEC software training 10 and 20 January 2014.
- 6. Implement project management arrangements in Property for effect from 1 April 2014 until completion.
- 7. Continue projects to define and minimise revenue cost running the Curve

Key project dates include:

Construction start date:

 Handover of new sub-station:
 Handover of Queensmere toilets:
 Handover of goods lift:
 Handover of shopping centre entrance:

Contract completion / handover: 14/07/2015

Key issues of risk / obstacles to progress:

- 1. Risk of delay in neighbour agreements.
- 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).
- 3. Potential slippage for weather and unplanned issues on site. 3 months allowed for in works programme.
- 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.
- 5. Capacity of SBC's ICT support to meet deadlines and complete work on schedule throughout project.

Recommendations for CMT:

- 1. Note that main preparatory works on site will start in January.
- 2. Note that projects have started to establish firm running costs and to minimise impact on the council's revenue budget.

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

WELLBEING BUDGET MONIORING SUMMARY										
Service Budget Outturn Diff Last Chg %										
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%				
GRAND TOTAL	63,101	63,288	187	34	153	0.3%				

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.

Adult Social Care									
SERVICE	Revised Budget	Outturn	Current Variance	Last Month	Change				
	£'000	£'000	£'000	£'000	£'000				
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				
TOTAL	38,270	37,284	-986	-986	0				

Appendix E - P9 December 2013

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:

ADULT SOCIAL CARE					
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				
TOTAL	-1,348				

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.

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

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.

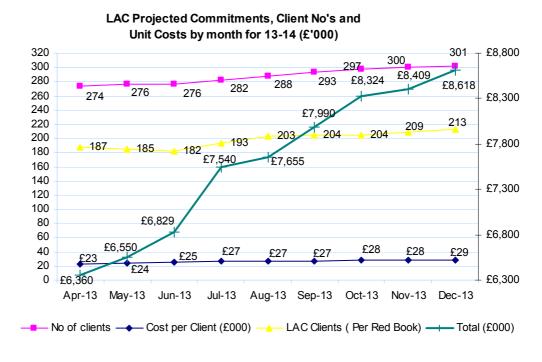
CHILDREN & FAMILIES					
SERVICE	Revised Budget	Outturn	Current Variance	Last Month	Change
	£'000	£'000	£'000	£'000	£'000
Asylum Seekers	37	-6	-43	-43	0
Children Looked After	5,784	7,846	2,062	1,947	115
Commissioning & Social Work	5,586	6,833	1,247	1,247	0
Family Support Services	828	891	63	63	0
Other 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
Total	16,216	18,909	2,693	2,578	115

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.



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

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
Total	101	57	56	113	12	13	870

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 where within SBC

.

Appendix E – P9 December 2013

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
Total	9,380	8,422	-959	-998	39

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 £'000
Previous years underspends - full year effect Wellbeing	-150
EIG savings identified Ph 1 post grant reduction	-700
Services to Schools Review	-200
TOTAL	-1,050

CENTRAL MANAGEMENT

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

SERVICE	Revised Budget £'000	Outturn £'000	Current Variance £'000	Last Month £'000	Change £'000	
	2.000	2 000	2 000	2 000	2 000	
Central Management						
Management	-228	-228	0	0	0	
TOTAL	-228	-228	0	0	0	

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 £k	Outturn £k	Variance £k	Variance %	
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	
Net Expenditure	-417	-417	0	0%	

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 £'000	Outturn £'000	Variance £'000	%	Change 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	0.6%	(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	12.6%	30
Total	19,691	19,161	(530)	-2.69%	(107)

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

Appendix E - P9 December 2013

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.

<u>Identification of any income pressures:</u>

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

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

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

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 are is reporting a small underspend of £77k in the current year.

CORPORATE SERVICES

2013-14 Budget Summary

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

Directorate summary for the 2013-14 year to date

Explanation of variation from budget:

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

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SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE**: 6th 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

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 Committee is requested to scrutinise and comment on this budget report which Cabinet is requested to recommend to full 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 Sustainable Community Strategy's priorities.

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

Detailed within the report

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	none
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	A 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) <u>Human Rights Act and Other Legal Implications</u>

The Council has a number of statutory functions to perform. Any savings must not undermine the Councils responsibilities to provide minimum levels of provision in key areas. The set of savings proposals for 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

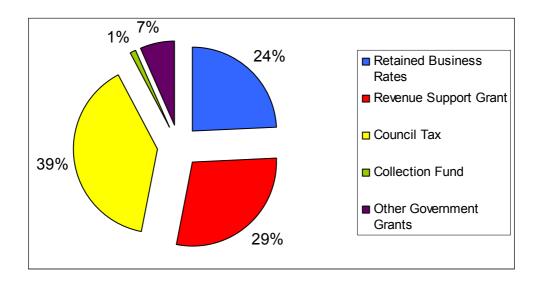
2013-14	Funding	2014-15
42.29	Council Tax	43.85
26.23	Retained Business Rates	27.13
39.76	Revenue Support Grant	32.47
2.11	Education Services Grant	1.96
1.84	NHS monies to support Social Care	2.36
1.76	New Homes Bonus	2.01
0.26	Other non-ringfenced grants	1.03
	Collection Fund	1.30
114.25	Total Budgeted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

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



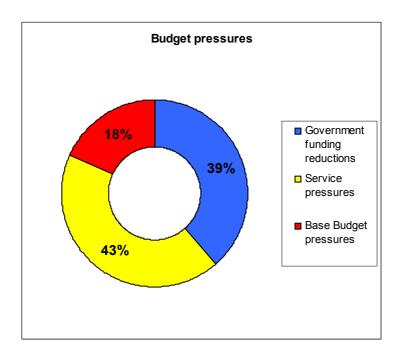
- 5.2.8 The Council also receives income from specific Government grants and these are included in appendix I. The Council budgets for an anticipated nil net cost on these specific grants; i.e. that all expenditure will be contained within the income received from Government and that the local Taxpayer 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



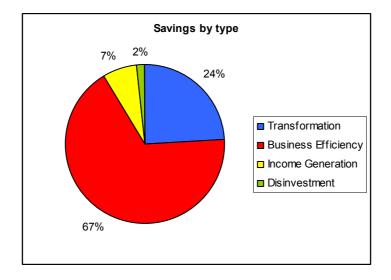
5.3.3 As can be seen from the above, the two main cost pressures come from reduction RSG from Government and from service pressures within the Council. The Council has little influence over the former as this is driven by the Government priorities. The latter costs are more controllable from the Council 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

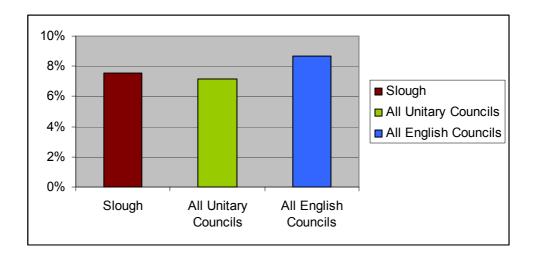


5.5 Reserves

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 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 deliver, amber or red (not expected to be delivered in year). This will enable the Council to adjust it's future budget position for any unmet savings as well as ensure that it can take appropriate in year steps to rectify any growing overspends that arise.

5.7 Impact on directorate budgets

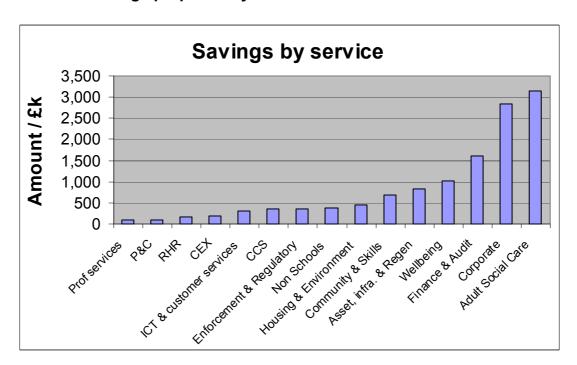
5.7.1 The table below highlights the changes to directorate budgets as a result of all of changes detailed in the budget and associated papers.

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

	2013-14 / £	2014-15 / £	Variance	% variance
Wellbeing	61,784,700	64,328,504	2,543,804	4.1
ccs	19,058,710	21,255,671	2,196,961	11.5
RHR	23,647,930	23,191,393	(456,537)	(1.9)
Chief Executive	4,462,930	4,297,450	(165,480)	(3.7)
Corporate	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

None

7 <u>Conclusion</u>

- 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.

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Service		Service Lead	Item	Amount / £k	Delivery	Туре	Staffing impact	EIA2 required
Adult Social Care	-	ASi	Transformational Strategy	750	LD Change Programme	Transformat ion	None	Already Agreed/ Implement ed
Adult Social Care	4	ASi	Supporting People	25	Contracting Efficiency	Efficiency	None	Already Agreed/ Implement ed
Wellbeing	5	>	Commissioning efficiencies in Childrens service	250	Improved procurement & Commissioning, Greater adoption and foster carers, Lower rental costs & support staff savings	Efficiency	None	Yes
Wellbeing JW	Ş		Directorate Savings	100	Reduction of support costs following merger of Wellbeing & ECS	Efficiency	None	No
Adult Social Care ASi	ASi		Redesign of speedwell employment services	100	Removal of transition budget following completion of service reviews	Efficiency	None	o Z
Adult Social Care ASi	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
sıc	RC		Raising Participation Partnership	25	Service to cease, SBC surplus contribution	Efficiency	None	o _N
Wellbeing ASn	ASr		Prevention & Protection	614	Better integration of Public Health and Wellbeing services	Efficiency	None	ON
Non Schools RC	SC.		Services to Schools Review	202	Savings due to new Contract	Transformat ion	None	O N
Non Schools RC	RC		Services to Schools Review	140	Removal of Budget not included in Contract	Efficiency	None	o N

EIA2 required	ON.	ON ON	ON.	o Z	o N	Yes	Already Agreed/ Implement ed	Yes	o N	o N
Staffing impact	1-2	None	None	None	None	None	None	None	None	None
Туре	Efficiency	Efficiency	Transformat ion	Efficiency	Transformat ion	Transformat ion	Efficiency	Transformat ion	Transformat ion	Efficiency
Delivery	Staffing - reviewing officers, PM and reablement and vacant posts from restructure in 14/15	Further efficiencies resulting from review and recommisioning	Greater and better outcomes from the reablement service leading to reductions in home care packages	Review and recalibration of the RAS leading to reduced costs	Review and renegotiation of the existing Extra Care Schemes	Review of Internal Day Services	New Public Health Service making an appropriate contribution for departmental and central support services	Lower costs from re- commissioning activity with third sector groups	Savings resulting from greater investment in telecare services	Recommissioning
Amount / £k	170	200	170	200	50	100	20	150	25	437
Item	Staffing - reviewing officers, PM and reablement and vacant posts from restructure in 14/15	Inflation contingency	Reablement - reduction in care packages	Review of the Resource Allocation System	Extra Care Housing Internal Service	Internal Day services	Public Health cost recovery	Community & Voluntary sector commissioning	Telecare & equipment	Supporting People Efficiencies
Service Lead	ASi	ASi	ASi	ASi	ASi	ASi	Asn	ASi	ASi	Asi
Service	Adult Social Care	Adult Social Care	Adult Social Care	Adult Social Care	Adult Social Care	Adult Social Care	Wellbeing	Wellbeing	Wellbeing	Adult Social Care
Directorate	Wellbeing	Wellbeing	Wellbeing	Wellbeing	Wellbeing	Wellbeing	Wellbeing	Wellbeing	Wellbeing	Wellbeing
N O	-	12	73	[‡] Page	¥ 78	16	17	8	19	20

		1	1		I		I	ı		1	
EIA2 required	o N	o Z	o Z	o Z	Already implement ed	o Z	o Z	o Z	o Z	o _N	o Z
Staffing impact	None	None	None	None	Already implemented	None	None	1-2	None	None	None
Туре	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Transformat ion	Efficiency	Transformation	Efficiency	Disinvestm ent	Disinvestm ent
Delivery	Service Review	Award inflation at a lower level than assumed in MTFS	Efficiencies resulting from better use and arrangement of existing Extra Care provision	Efficiencies from non- staffing budgets within Central Management	Recharge to Housing for occupancy of space left by the transfer over to Arvato (phase 2) of Customer Service staff.	Corporate review led by AS. Report issued. To be implemented during 2014-15 onwards.	In year reviews by services.	The service area is due to be merged into Housing and Neighbourhoods Division in late 2013.	Cost of license from software supplier has reduced.	SBC is no longer a member of this regional policy group	SBC is no longer a member of this sub regional policy group
Amount / £k	63	440	78	78	240	100	149	20	37	က	4.5
Item	Meals Service	Management of Contract Price Inflation	Extra Care Housing Internal Service	Central efficiencies	Phase 2 Accommodation Strategy	Transport review	Efficiency target	Deletion of the Head of Enforcement Services post	Reduce expenditure on land charges software license	Remove expenditure on SEERA	Remove expenditure on ACTVAR
Service Lead	Asi	ASi	ASi	ASi	RP	RP/AS	RP	RP	RР	RP	RP
Service	Adult Social Care	Adult Social Care	Adult Social Care	Adult Social Care	Corporate	Enforcement & Regulatory	SOO	Enforcement & Regulatory	Enforcement & Regulatory	Enforcement & Regulatory	Enforcement & Regulatory
Directorate	Wellbeing	Wellbeing	Wellbeing	Wellbeing	SOO	SOO	SOO	SOO	SOO	SOO	SOO
S S	21	22	23	24	[₹] Page	%79	27	28	59	30	31

o N	Directorate	Service	Service Lead	Item	Amount / £k	Delivery	Type	Staffing impact	EIA2 required
32	SOO	Enforcement & Regulatory	g.	Increase income budget on preapplication meetings	п	Some changes to income fee budgets needed to reflect actual income and increase is achievable.	Income Generation	None	No
33	SOO	Enforcement & Regulatory	AS .	Reduce expenditure in outsourced Transport Policy commissions	5-	Reduce contract commissioning for Transport Policy work and provide it in-house	Transformat ion	None	No
½ F	SCO	Enforcement & Regulatory	RP The state of the state of th	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	°Z
age 80	SOO	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	Disinvestm ent	None	ON
36	SCO	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	Disinvestm ent	None	NO NO
37	SOO	Enforcement & Regulatory	g.	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.	Transformat ion	1-2	NO
38	SOO	Enforcement & Regulatory	RP P	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

red										
EIA2 required	o N	o Z	2	2	2	2	2	S S	0	Yes
_										
Staffing impact	None	None	None	None	None	None	None	None	None	1-2
Type	Transformat ion	Efficiency	Efficiency	Efficiency	Efficiency	Disinvestm ent	Income Generation	Income Generation	Efficiency	Disinvestm ent
Delivery	Refocus staff on PA activity to generate more income	The methods of Trading Standards has evolved and does not require the same level of funding for the same output	NB - not a new saving. Year 2 planned savings from youth service review.	Reduced cost of TVAC contribution through contract efficiencies	Efficiencies in facilities management, stock management, self service	Stop arts and sports support - no projects or help for clubs or community arts organisations.	Increased income	Increased income from promotion of community centres	Successful renegotiation of ICT software contracts leading to reduced annual costs.	1st part year impact (total £50K). Reduction of 1 FTE management post following end of Migration Excel contract
Amount / £k	5	20	100	10	20	20	200	25	300	20
Item	Increase Primary Authority income	Reduce expenditure in Trading Standards operational budgets	Youth efficiency	Reduced cost of Thames Valley Athletics Centre contract to SBC	Libraries efficiencies	Arts and sport projects	Registrars, cemetery & crematorium income	Community centres income	ICT software cost savings	CLASS staffing
Service Lead	RP T	RP	AS	AS	AS	AS	AS	AS	g B	AS
Service	Enforcement & Regulatory	Enforcement & Regulatory	Community & Skills	Community & Skills	Community & Skills	Community & Skills	Community & Skills	Community & Skills	ICT & customer services	Community & Skills
Directorate	soo	SOO	SOO	SOO	SOO	SOO	SOO	SOO	SOO	SOO
N _o	39	40	14	24 F	age 81	44	45	46	47	48

EIA2 required	o N	O _N	ON.	ON O	ON O	No	O _N	O _N	OU	OU
Staffing impact	1-2	1-2	0	0	1-2	0	-	None	none	1-2
Type	Disinvestm ent	Efficiency	Income Generation	Income Generation	Efficiency	Efficiency	Efficiency	Income Generation	Efficiency	Efficiency
Delivery	Delete vacant PT post	Saving from managing pitch bookings in SBC as part of community bookings team (bringing it in from SCL)	New income generating services and cessation of hospital registration service as identified through service review	Income from new lettings	Year 3 planned savings from youth service review. Already in the MTFS for 2015/16 - not to be double counted	Withhold 2014/15 CPI inflation uplift for libraries	Removal of Budget following senior management review	Further refocus staff on primary Authority activity to generate more cost recovery income. Reducing spend on agency specialists	Reduced cost expected	Delivered through restructuring of directorate
Amount / £k	10	55	50	20	50	109	250	2	10	171
Item	Community Services staff	Pitch bookings	Additional income from registration services	Parks buildings income	Young People's Service	Libraries inflation uplift	Deleted of Assistant Director Posts	Increase in cost recovery from Primary Authority	Reduce expenditure ordnance survey fees D206	Efficiency target
Service Lead	AS	AS	AS	AS	AS	AS	A.	HDO	SO	SR
Service	Community & Skills	Community & Skills	Community & Skills	Community & Skills	Community & Skills	Community & Skills	CCS	Enforcement & Regulatory	Enforcement & Regulatory	RHR
Directorate	SOO	SOO	SCS	SOO	SOO	SOO	SOO	SOO	SOO	RHR
o N	49	50	51	52	ଞ Page	§ 2	55	56	57	28

EIA2 required	o Z	ON N	o Z	o Z	O Z	O _Z	O N
Staffing impact	None	None	None	None	1-2	None	None
Туре	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency
Delivery	Reduction of External Audit fee budget through more effective closedown procedures	Reduce spend through more effective use of supplies & services spend	Reduced training spend as fewer staff within the service & more efficient training options	More reliance on the Council's own Treasury Management knowledge rather than utilising advisors	Remove post (currently filled by agency) due to Government education reforms and Services to Schools project	Following significant capital investment in 12-13 & 13-14 reduced maintenance expenditure required for future years	Improved knowledge of the Council's RoW Officer has led to reduced demand for specialised RoW consultancy support
Amount /£k	16	10	10		52	10	4
Item	Reduction in External Audit fees	Contribution to directorate efficiency savings; reduce supplies & services spend	Reduce training budget in line with lower staffing levels	Recharge treasury management support provided by Treasury Management advisors for HRA support	Removal of Principal Accountant post supporting the Wellbeing	Street Nameplate Maintenance	Public Rights of Way consultancy budget
Service Lead	Ηſ	ΗΓ	Ŧ	Ηſ	Ηŗ	<u>ي</u>	Or .
Service	Finance & Audit	Finance & Audit	Finance & Audit	Finance & Audit	Finance & Audit	Asset, infra. & Regen	Asset, infra. & Regen
Directorate	RHR	RHR	RHR	RHR	RHR	RHR	RHR
Š	59	09	61	8 Page 83	63	64	65

EIA2 required	O Z	o Z	O _N	O _N	o Z	Already undertaken	o Z	O N
ш г	2	2	2	2	2	7 5	2	
Staffing impact	None	None	None	None	None	6-10	None	None
Type	Efficiency	Efficiency	Efficiency	Disinvestm ent	Disinvestm ent	Transformat ion	Efficiency	Income Generation
Delivery	Improved efficiencies in Asset Management and Flood Management cyclic maintenance regimes with our term contractors	Following significant investment/improvement & compliance over the last 10 years there is a reduced demand on this budget	Following significant investment/improvement of the highway fencing asset over the last 10 years there is a reducing demand on this budget	Undertake reduced level of illuminated sign and bollard maintenance	10% reduction in level of reactive works carried out to footways and carriageway throughout borough	Delivered through restructuring of services.	Negotiate waste services contract with Bucks SS	Reclaim funding for vulnerable households
Amount / £k	53	50	27	30	08	50	100	60
Item	Flood Control	Disabled Crossing / tactile paving budget	Highway Fencing	Illuminated Sign and Bollard Maintenance	Reactive Highway Maintenance works-road and pavement patching and	Restructure	Negotiate waste services contract with Bucks SS	Reclaiming funding for vulnerable households
Service Lead	OL OL	Or.	Or.	၁၅	Or.	NA	SR	HK
Service	Asset, infra. & Regen	Asset, infra. & Regen	Asset, infra. & Regen	Asset, infra. & Regen	Asset, infra. & Regen	Housing & Environment	Housing & Environment	Housing & Environment
Directorate	RHR	RHR	RHR	RHR	RHR	RHR	RHR	RHR
Š	99	29	89 I	®age 84	70	71	72	73

		1			Т		1	1			1	ı	
EIA2 required	o Z	o Z	o Z	O N	O N		O N	O Z	<u>8</u>	N _O	Yes	Yes	Yes
Staffing impact	None	None	None	None	None		None	None	None	None	None	None	None
Туре	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency	Efficiency
Delivery	Renegotiate Hostels contract	Reduce Internal Audit Annual plan coverage	Reduced costs through contract management savings	Capitalisation of currently revenue costs	Additional savings based on retendering	Restructure savings from internal restructure	Efficiency savings across the service	Capitalisation of asset maintenance	Smarter working	Reduction in Printing Costs	Deletion of Equalities project work budget	Reduction of Community Cohesion project budget	Change from paper to digital based newspaper provision whilst retaining some targeted paper provision.
Amount / £k	25	25	170	220	15	200	15	250	100	50	12.5	20	38
Item	Homeless Costs	Internal Audit Plan	Insurance contract management	Footway Works - highways capitalisation	Insurance re- tendering savings	Restructure Highways and transport services	enforcement efficiencies	Asset maintenance capitalisation	Waste strategy savings	Efficiency target	Deletion of Equalities project work budget	Reduction of Community Cohesion project budget	Citizen
Service Lead	壬	H,	H,	၁၅	_두	ಲ್ಗ	ΨN	٥ _٢	∀ Z	RB	1	<u>٦</u>	工
Service	Housing & Environment	Finance & Audit	Finance & Audit	Asset, infra. & Regen	Finance & Audit	Asset, infra. & Regen	Housing & Environment	Housing & Environment	Housing & Environment	CEX	P&C	P&C	P&C
Directorate	RHR	RHR	RHR	RHR	RHR	RHR	RHR	RHR	RHR	Chief Exec.	Chief Exec.	Chief Exec.	Chief Exec.
o N	74	75	76	77	78	° Pa	№ 85	18	82	83	84	82	98

	П	ı	1	1	1	ı	I	
EIA2 required	Yes	NO N	o N	O O	o Z	o N	o Z	ON.
Staffing impact	1-2	None	None	None	None	None	None	None
Туре	Efficiency	Income Generation	Income generation	Efficiency	Income Generation	Efficiency	Transformat ion	Efficiency
Delivery	Reduction in posts in HR team as overall staff numbers in organisation reduces	Review of income generation opportunities for events.	Review of income generation opportunities	Efficiencies across Professional Services	Review of fees and charges across all directorates	Review of all major contracts	Variety of TM options including longer tem investments, diversifying the investment strategy and paying up front LGPS costs.	Removal of corporate contingency budget
Amount / £k	95	25	77	45	250	200	1300	1850
Item	Reduction in HR support required	Additional income	Efficiency Target	Efficiency Target	Fees and charges review	Review Major Contracts	Increased Investment Returns	Removal of contingency budget
Service Lead	KG	1	Т	KG	CMT	RP	푸	H
Service	Prof services	Policy and Communications	Policy and Communications	Professional Services	Corporate	Corporate	Finance & Audit	Corporate
Directorate	Chief Exec.	Chief Exec.	Chief Exec.	Chief Exec.	Corporate	Corporate	Corporate	Corporate
9 S	87	88	89a ?	89	06	6 P	இe 86	93

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

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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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.

Directorate	Service	Service Lead	Growth bid	Amount / £k	Service Benefits	Impact of not Approving	Additional Staffing impact
	Children & Families	ក	LAC Placements	2,490	To meet the costs of LAC placements – summarised in January Cabinet papers.	Significant Budget Pressure	None
	Children & Families	AA A	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+
i .	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
	Education (Non Schools)	Wſ	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.	ო
	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
-	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

Additional Staffing impact	1-2	None	None	None	None
Impact of not Approving	Lack of effective procurement resource	Ongoing pressure on the budget which does not have the ability to recover that cost	Ongoing pressure on the budget which does not have the ability to recover that cost	Service will continue face annual £20K shortfall which can no longer be offset by slippage from other budgets in the service area.	Substantial customer service reductions
Service Benefits	Existing post transferred over to arvato as part of the phase 2 contract; this is re-establishing the post within SBC.	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.	The salary budgets from H235 were deleted from the 13/14 budget. This is currently a pressure on the budget	Removal of ongoing financial pressure created by unachievable income target set in 2003	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
Amount / £k	40	134	28	20	376
Growth bid	Procurement specialist due to transactional services phase II transfer	CCTV/Careline revenue support	Community Safety Salary Budget	Cover the shortfall in Organic Verification Income	Rates liability libraries and leisure
Service Lead	RP	RP	RP	SD	AS
Service	Procurement	Enforcement & Regulatory	Enforcement & & Regulatory	Enforcement & Regulatory	Community & Skills
Directorate	SCCS	SOO	SOO	SOO	SOO
°Z	7	ω	O	10	

Additional Staffing impact	2-1 S	=
Impact of not Approving	Currently there is no formal GIS resource, such as a designated GIS 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.	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. 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.
Service Benefits	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 longterm.	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. 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.
Amount /£k	103	65
Growth bid		SIFE Inquiry (Slough Intermodel Freight Exchange) - one off requirement
Service Lead	RP	SD
Service	Enforcement & Regulatory	Enforcement & Regulatory
Directorate	SOO	SOO
°Z	12	13

Š.	Directorate	Service	Service Lead	Growth bid	Amount /£k	Service Benefits	Impact of not Approving	Additional Staffing impact
4	SCS	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	Ŧ	Street Cleansing	75	General Improved environment - 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)	关	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.	П.	Two year funding only - 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	ΙΨ	프	Auto-enrolment	200	Potential costs due to staff currently not within the pension scheme opting into the pension scheme.	Budget pressure	None
0	Corporate	n/a	ЯР	Budget adjustment to ensure transactional services phase I 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)	0
position (under / over (-)	
spend	
In year movements to /	0
from the General Fund	
Forecast 31.3.2014	8.14
position	

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 1st April 2014. A further review of reserves following the end of the 2013-14 financial year will assess if this reserve can 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) position (under / over (-) spend	0
Year end forecast movements to / from the Reserve	-0.6
Forecast 31.3.2014 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 resolve:

- (a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 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 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);
 - £ 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	Parish of	Parish of	Parish of
	Area	Britwell	Colnbrook	Wexham
			With Poyle	Court
	£	£	£	£
Α	782.18		31.80	24.48
В	912.54		37.1	28.56
С	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
Н	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.

BAND	Office of the Police and Crime Commissioner (OPCC) for Thames Valley
	£
Α	107.01
В	124.85
С	142.68
D	160.52
Е	196.19
F	231.86
G	267.53
Н	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

BAND	Royal Berkshire Fire Authority
	£
Α	40.44
В	47.18
С	53.92
D	60.66
Е	74.14
F	87.62
G	101.1
Н	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:

Band	Slough	Office of the Police and Crime Commissioner (OPCC) for Thames Valley	Royal Berkshire Fire Authority	TOTAL
	£	£	£	£
Α	782.18	107.01	40.44	929.63
В	912.54	124.85	47.18	1,084.57
С	1,042.91	142.68	53.92	1,239.51
D	1,173.27	160.52	60.66	1,394.45
Е	1,434.00	196.19	74.14	1,704.33
F	1,694.72	231.86	87.62	2,014.20
G	1,955.45	267.53	101.1	2,324.08
Н	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 18th 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 Councils financial risk whilst other arrangements increase the level of risk.

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

- Increased population increases demand on 'universal services' i.e. more bins to collect, more Council Tax bills to issue etc.
- 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. This page is intentionally left blank

Appendix I – Specific grants

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

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

Grant	Amount / £m
Public Health	5.49
Community Right to Bid	0.01
Community Right to Challenge	0.01
Local Reform and Community Voice (Dept. of Health)	0.09
Local Welfare provision	0.33
Local Council Tax Support and Housing Benefit administration subsidy	1.11

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APPENDIX J



Taking pride in our communities and town

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

Index

Introduction

- 1 Scope of the Policy
- 2 Reason for the Policy

Part 1 - Relief for Charities and other Not-for-profit organisations

- 3 Legal Background
- 4 Legal Requirements State Aid
- 5 Cost to the Council
- 6 The Applications Process
- 7 Applications Not Meeting Legal Requirements
- 8 The Decision Making Process
- 9 Calculation of Relief
- 10 Right of Appeal
- 11 Appeals Process
- 12 Discontinuance of Applications or Appeals
- 13 Period of Rate Relief
- 14 Backdating of Claims
- 15 Cancellation of Relief
- 16 Notification of Awards
- 17 Action to Recover Unpaid Rates
- 18 Promotion of the Availability of Relief
- 19 Budget for Rate Relief

Part 2 -Rate Relief for Properties that are Partially Unoccupied for a Temporary Period

- 20 Legal Background
- 21 Calculation of Rate Relief
- 22 Cost to the Council
- 23 Policy
- 24 Applications
- 25 Verification of the Claim
- 26 Authority to Award Relief
- 27 Appeals
- 28 Duration of Relief

Part 3 - Relief on the Grounds of Hardship

- 29 Legal Background
- 30 Cost to the Council
- 31 Policy

- 32 Applications
- 33 Additional Items
- 34 State Aid Regulations
- 35 Information to Support Applications 36 Authority to award relief
- 37 Interests of Officers and Members
- 38 Appeals
- 39 Appeals Process
- 40 Discontinuation of Applications or Appeals
- 41 Notifications of award
- 42 Action to recover unpaid rates
- 43 Promotion of Rate Relief
- 44 Amount of Relief
- 45 Duration of Relief
- 46 Examples of appropriate circumstances

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.
- 3.3The 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, literature
- science,
- 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 is 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

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

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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 no 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:
2 Details of manying formulate maline Circums and the
3. Details of premises for which relief is sought:
Description:
Address:

L Bı	usiness Rates Account Reference (if known)
For what p	ourposes are the premises used?
If used for	any other purpose other than those of the claimant please give details:
	any facilities in the property which are made available to people members, e.g. schools, casual public sessions?
Yes/No	
If YES plo	ease provide details:
Is there a l	bar on the premises?
If Yes and	the organisation is not a Social Club, please state the number of:
Playing M	Iembers
Non-Play	ing Members
wheelchair everybody	oremises and activities accessible for all groups of disabled people, including users, deaf people and blind people? Are your materials accessible to ? (For example: print size, graphic design, plain English, meetings speaker's presentations etc.)
Yes/No	
If Yes ple	ase provide details:
	25

. Membership Details			
Jaroch are of Marsch are			
Sumber of Members			
	1	X 7 / X T	1017 I I I
o members pay a Su	bscription?	Yes/No	If Yes, how much?
Adults:	Jun	iors:	
	oun	1015.	
	ions last increa	sed?	
	ions last increa	sed?	
	ions last increa	sed?	
	ions last increa	sed?	
	ions last increa	sed?	
Vhen were subscripti			
When were subscripti			
When were subscription			
Vhen were subscripti	rces are funds i	aised?	ov self help?
Vhen were subscripti	rces are funds i	aised?	oy self help?
Vhen were subscription	rces are funds i	aised?	oy self help?
hen were subscription	rces are funds i	aised?	oy self help?

Of the total membership, how many live outside the Borough Council's area?
Is membership open to all members of the community?
Yes/No
A Cta made available to machle other than members?
Are profits made available to people other than members?
Yes/No
If Yes please provide details:
Is membership encouraged from minority groups?
Yes/No
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.

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 disable 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 recognas a charity for tax purposes?	nised
Yes/No If yes please provide a copy of a letter from the HM Revenue & Customs confirm this.	ing
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, addr correspondent.	ress and contact telephone number of the secretary or			
Please remember to notify us of	any change to these contact details			
8. I certify that the information knowledge and belief:	n provided above is correct to the best of my			
Signature:	Date:			
Capacity in which signed:				
When completed this form sho	ould 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 '," 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%
Päg	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%
^{TD} 6	Charitable bodies that are established for the purposes of running and maintaining meeting places, halls and community spaces	80%	20%	100%
43	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%	1000%
10	Properties that are occupied by Charitable bodies for the purposes of administering the organisation, for example Admin Offices for National Charities, Over seas 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%

¹ 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

	Criteria	Evidence	Points
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 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 50-80 5 >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 Free 5 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

36

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 7th 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 7th April 2014. This is based upon the September RPI figure used in rent setting.
- Service charges **increase by 3.7%** with effect from Monday 7th 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 7th April 2014 in line with the average increase of all housing properties.

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SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE**: 6th 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

MEDIUM TERM FINANCIAL STRATGEY 2014-18

1 Purpose of Report

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

2 Recommendation(s)/Proposed Action

The Committee is requested to scrutinise and comment on the report, which Cabinet will consider for recommendation of the MTFS to full 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 Sustainable Community Strategy's priorities.

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

Detailed within the report

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	none
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	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) <u>Human Rights Act and Other Legal Implications</u>

The Council has a number of statutory functions to perform. Any savings must not undermine the Councils responsibilities to provide minimum levels of provision in key areas. 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) <u>Equalities Impact Assessment</u>

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

5 **Supporting Information**

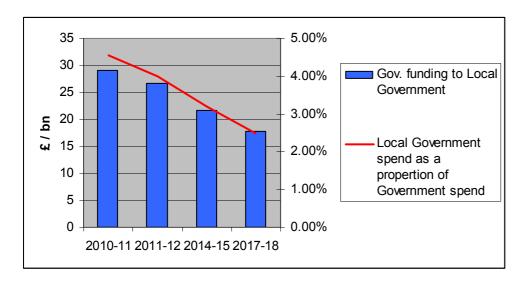
5.1 Summary

- 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

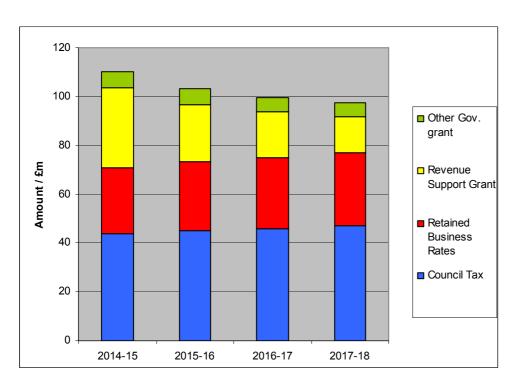


- 5.2.2 Since 2010 the Council's net budget has reduced by 8% and by the end of the current MTFS it is expected to have reduced by 22%.
- 5.2.3 The Council will continue to deliver capital investment throughout the period covered by the MTFS.

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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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.

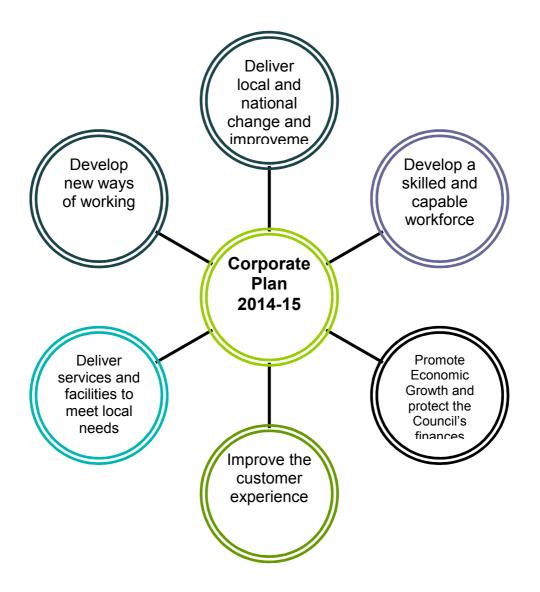
Given the scale of the ongoing reductions in Central Government spend, the Council has, and will increasingly need to, deliver public services in a more joined up, effective and efficient manner. Maintaining the current levels and delivery of existing services is unlikely to be an option to the Council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

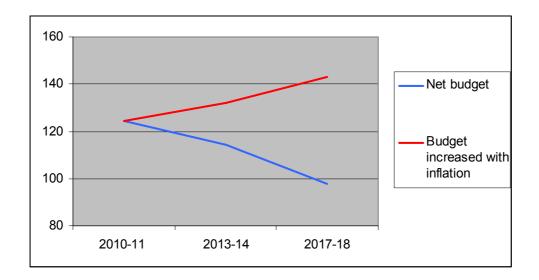
35 5.00% 30 Gov. funding to Local 4.00% Government 25 3.00% 20 p **4** 15 Local Government 2.00% spend as a 10 propertion of 1.00% Government spend 5 0 0.00% 2010-11 2011-12 2014-15 2017-18

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:

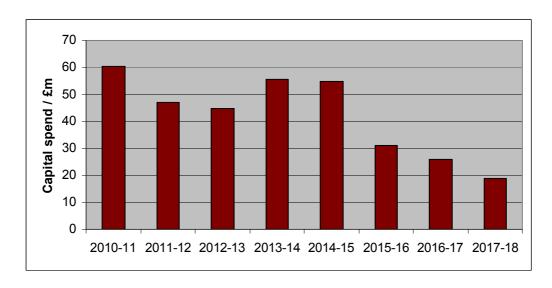
Chart 2.2: Net budget vs Inflation



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.

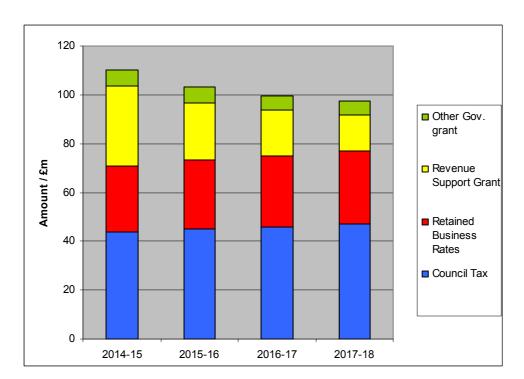


Chart 2.4: Income streams 2014-18

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

Comparable Budget



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.

300 200 100

Graph 1.2: Looked After Children numbers

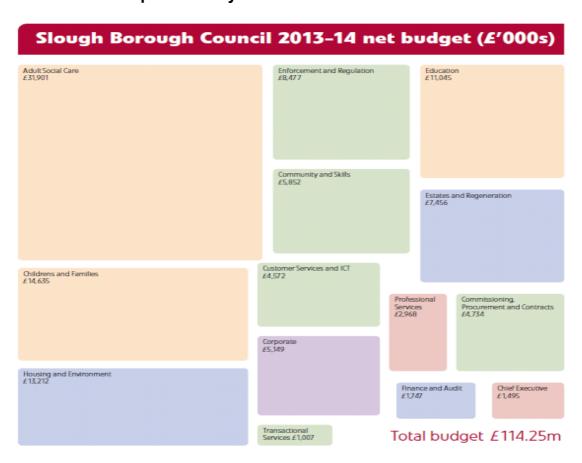
On the expenditure side of the Council's finances, the summary position for 2013-14 is below.

2013-14

2016-17

Chart 2.6: Net expenditure by service - 2013-14

2007-08



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.

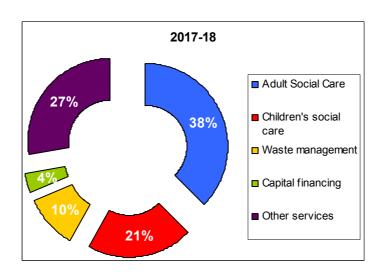
The graph below highlights that, assuming that the Children's Social Care additional costs are approved and that costs rise by inflation in this service, that Adult Social Care holds its costs flat in cash terms, and that waste management makes savings but that costs rise by inflation, that the following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

2013-14

32%

Adult Social Care
Children's social care
Waste management
Capital financing
Other services

Graph 1.3: Comparative budgets 2013 to 2018

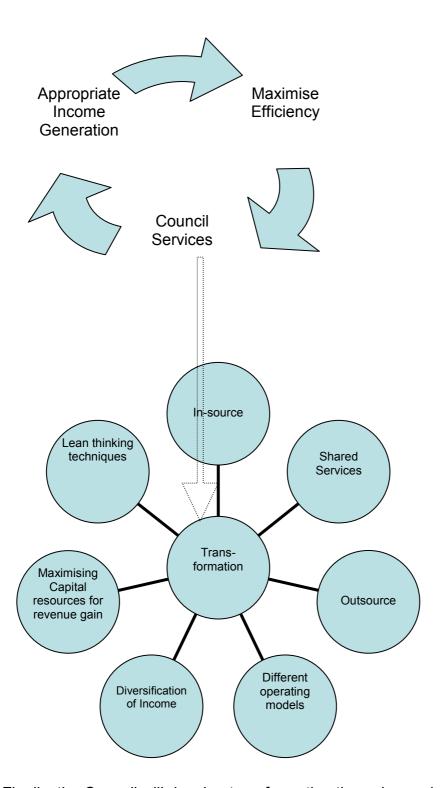


The Council's Strategy

The period of the MTFS 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	Total Budgeted income	112.11	103.21	99.80	97.72
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	Net Expenditure	112.11	103.21	99.80	97.72

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
- 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. 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 Refresh of the corporate strategy to reflect different delivery mechanisms Regular monitoring of in year budget position. 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. 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 Scrutiny reports
Delivery of projects through the Slough regeneration Partnership	Reputational risk through lack of delivery of identified projects. 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 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 ¹	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
Total	2.8	-7.8

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.

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

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

17

	service.
Collection rates change by 1%	Monthly collection rates monitored to CMT Regularly meetings with the transactional services provider
Business Rates appeals	Notifications from the Valuation Office 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. 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:** 10th February 2014

CONTACT OFFICER: Joseph Holmes, (87) 5358

(For all enquiries) (01753) 87 5358

WARD(S): *All*

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

PART I NON-KEY

1 Purpose of Report

To enable the Committee to scrutinise and comment on the Treasury Management Strategy for 2014/15, which Cabinet is requested to recommend the Council adopt.

2 Recommendation(s)/Proposed Action

2.1 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.

3 The Sustainable Community Strategy, the JSNA and the Corporate Plan

3.1 <u>Sustainable Community Strategy Priorities</u>

The report indirectly supports all of the Community Strategy 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 achieve 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 with this report.

4.2 <u>Risk Management</u>

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	none
Communications	None	none
Community Safety	None	None
Financial; Detailed in the report and above	As identified	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 <u>Human Rights Act and Other Legal Implications</u>

None identified

4.2.2 <u>Equalities Impact Assessment)</u>

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.
- 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 <u>Introduction & Background</u>

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.

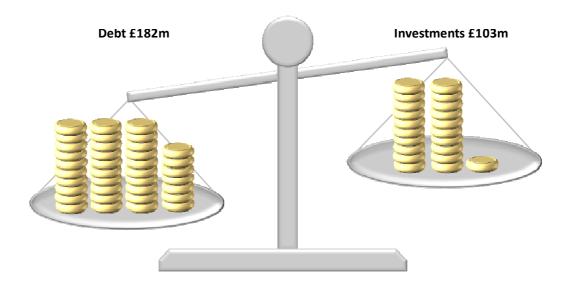


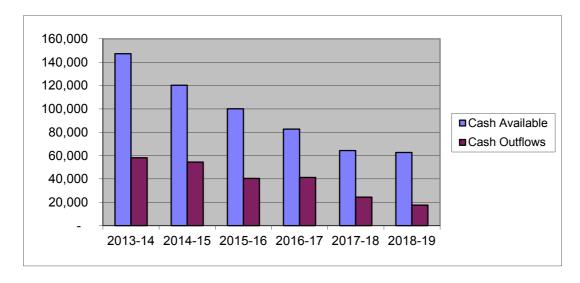
Table 1: Balance Sheet Forecast

Slough Borough Council								
Balance Sheet Sum	mary and	Projection	ns in £mil	lions				
31 st March								
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			
Total Capital Financing Requirement	282.70	268.8	284.8	286.4	291.1			
Less: Other long-term liabilities *	(51.26)	(48.50)	(45.60)	(42.64)	(40.92)			
Loans Capital Financing Requirement	231.44	220.30	239.20	243.76	250.18			
Less: External borrowing **	(193.40)	(182.38)	(206.38)	(206.37)	(206.38)			
Internal (over) borrowing	38.04	37.92	32.82	37.39	43.80			
Less: Usable reserves	(112.4)	(110.2)	(103.0)	(102.2)	(99.8)			
Net Borrowing Requirement/(Investments)	(74.36)	(72.28)	(70.18)	(64.81)	(56.00)			

^{*} finance leases and PFI liabilities that form part of the Authority's debt

Table 1a: Cash Flow Forecast

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

^{**} shows only loans to which the Authority is committed and excludes optional refinancing

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 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	Surront B					Туре
Market	Туре	Loan	Start Date	Maturity	Principal	
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
		-			182,363,278	

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 <u>Investment Strategy</u>

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 †	
	AAA		10 years*
	AA+		5 years*
Banks and other organisations and securities whose	AA	C1 Fro	4 years*
lowest published long-term credit rating from Fitch,	AA-	£15m each	3 years*
Moody's and Standard & Poor's is:	A+	Cuon	2 years
	Α		1 year
	A-		i yeai
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 low published long-term credit rating is A- or higher	est	£10m each	10 years**
UK Registered Providers of Social Housing whose low published long-term credit rating is BBB- or higher and 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		£5m each	3 months
		£1m each	1 year
management adviser	 ,	£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:

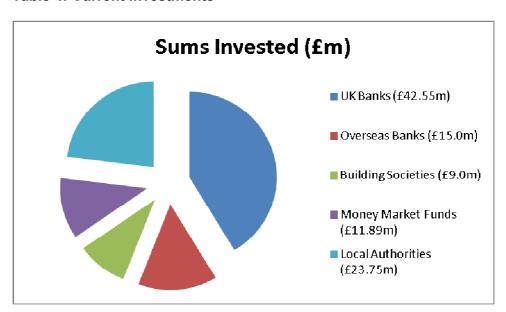


Table 4: Current Investments

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.

9 Risk Management

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,
 - o a UK local authority, parish council or community council, or

o 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

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

10 <u>Investment Limits</u>

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

	Cash limit
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	£20m per
management	manger
Negotiable instruments held in a broker's nominee account	£20m per broker
Foreign countries	£20m per
Toroigit ooditatoo	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

Capital Expenditure and Financing	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
General Fund	31,223	36,469	27,981	15,994
HRA	21,381	10,008	11,544	11,490
Total Expenditure	52,604	46,477	39,525	27,484
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
Total Financing	-52,604	-46,477	-39,525	-27,484

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

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

Total CFR

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.

Debt	31.03.14 Revised £m	31.03.15 Estimate £m	31.03.16 Estimate £m	31.03.17 Estimate £m
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
Total Debt	230,878	251,961	249,014	247,297

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.

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

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.

Authorised Limit	2013/14	2014/15	2015/16	2016/17	
	Revised	Estimate	Estimate	Estimate	
	£m	£m	£m	£m	
Borrowing	266,498	269.412	272.359	274.076	

Other long-term liabilities	48,502	45,588	42,641	40,924
Total Debt	315,000	315,000	315,000	315,000

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

Ratio of Financing Costs to Net Revenue Stream	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
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

Incremental Impact of Capital Investment Decisions	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
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 <u>Treasury Management Indicators</u>

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

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

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

LIMITS ON INTEREST RATE EXPOSURE								
2014/15 2015/16 2016/17								
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:

MATURITY STRUCTURE OF BORROWING							
Existing Lower Uppe							
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 <u>Future Options</u>

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

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	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) —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.	Risks of investing in a property fund – very similar to the risks of direct purchases —Void periods will result in lower returns
		—Falling property values can result in capital losses
		—Entry and exit costs – either as subscription/redemption fees or a bid-offer spread
		—Low liquidity compared to other types of pooled funds – 6 months' notice is common
		Our TMA therefore recommend a minimum investment horizon of at least 5 years
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

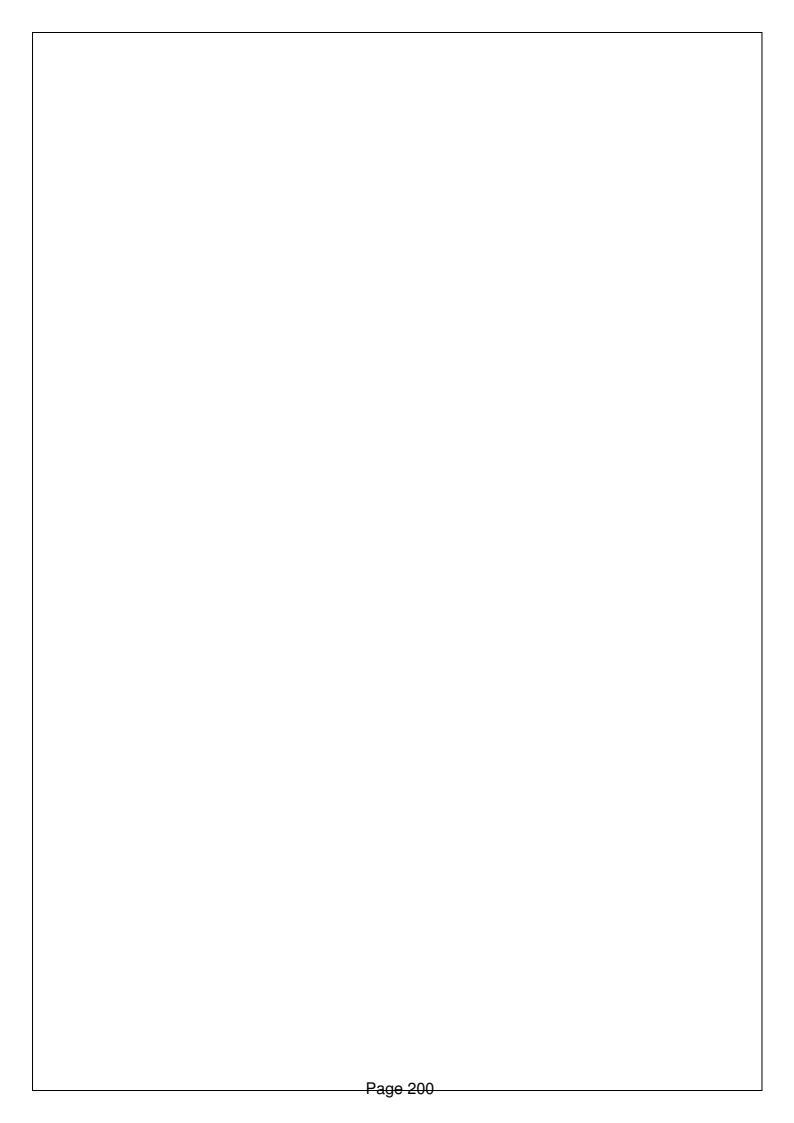
Underlying assumptions:

- 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
Official Bank Rate													
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													
3-month LIBID rate													
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, 10	0, 10	0.05	0.10	0.20	0.30	0.30			0.30	-0.35		
			0.05	0.10	0.20	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
1-yr LIBID rate													
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
5-yr gilt yield	1	1	1	1			-					1	
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
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80		
DOWIISIDE LISK	-0.50	-0.50	-0.30	-0.50	-0.55	-0.60	-0.60	-0.60	-0.63	-0.75	-0.60	-0.60	-0.60
10-yr gilt yield													
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
20-yr gilt yield													
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
50-yr gilt yield													
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



AGENDA ITEM 8

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE**: 6th February 2014

CONTACT OFFICER: Joseph Holmes; Assistant Director, Finance & Audit

(For all enquiries) (01753) 875358

WARD(S): *All*

PORTFOLIO: Cllr. Rob Anderson: Lead Commissioners for Finance &

Strategy

PART I KEY

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 of Council for the calculation of the Minimum Revenue Provision.

2 Recommendation(s)/Proposed Action

The Committee is requested to scrutinise and comment on the report and recommendations set out below.

The Cabinet is requested to resolve that the capital strategy of £147.7m is approved and recommended to full Council.

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.

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. <u>Slough Joint Wellbeing Strategy Priorities</u> (Compulsory Section)

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

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

Detailed within the report

(b) Risk Management (Compulsory section to be included in **all** reports)

Risk	Mitigating action	Opportunities
Legal	None	none
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery	April 2014 – March 2015	None
Project Capacity	None	None
Other	None	None

(c) <u>Human Rights Act and Other Legal Implications</u> (compulsory section to be included in **all** reports)

(d) <u>Equalities Impact Assessment</u> (compulsory section to be included in **all** reports)

A copy of the EIA must be forwarded to Democratic Services: <u>Joannah.Ashton@slough.gov.uk</u>as well as the Equalities Department: <u>Equalities@slough.gov.uk</u>.

(e) Workforce

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 form 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 their 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
TOTAL HRA EXPEND	10,008	11,544	11,490	10,264	10,364	53,669
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)
TOTAL HRA FINANCING	(10,008)	(11,544)	(11,490)	(10,264)	(10,364)	(53,669)

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
Total General Fund	36,469	27,981	15,994	6,534	3,184	90,162
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)

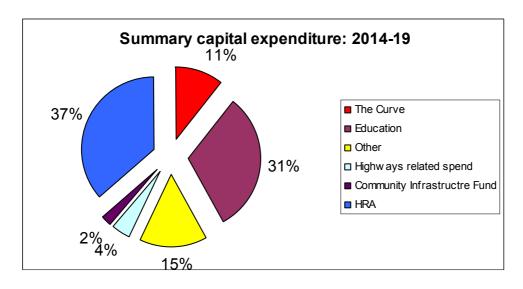
Borrowing requirement	(20,783)	(4,715)	2,971	1,817	(820)	(21,530)
Total Funding	(36,469)	(27,981)	(15,994)	(6,534)	(3,184)	(90,162)

- 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 £1.2m¹ from 2015-16.

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.



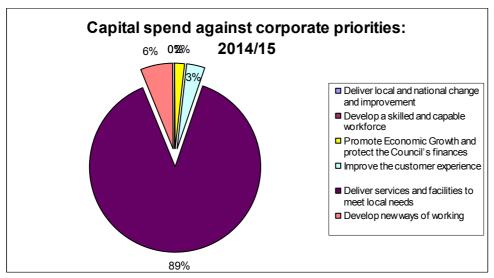


¹ Assuming borrowing from the Public Works Loans Board at the rate as at December 2013

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:

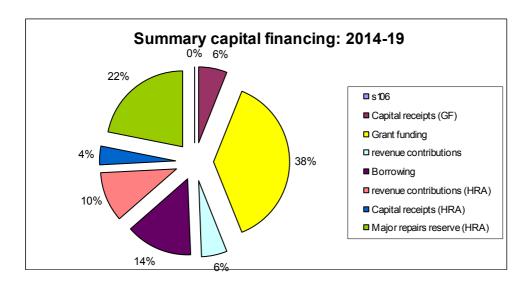
Chart 2.2: Capital spend against corporate priorities



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

Community Investment Fund (Capital Only)	2014/15	
	Budget	
Description	£'000	
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	
TOTAL	1,148	

6 Comments of Other Committees

n/a

7 Conclusion

The Cabinet are requested to approve the capital strategy.

8 Appendices Attached (if any)

'A' - Summary of current proposals

9 **Background Papers**

- '1' Local Government Finance consultations Summer 2013
- '2' Local Government Finance settlement 2013

Appendix A

Cost		2014-15	2015-16	2016-17	2017-18	2018-19	Total
Centre	Project						
		£'000	£'000	£'000	£'000	£'000	£'000
	LABV						
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)						
	Total LABV	10,868	5,170	0	0	0	16,038
	Funding						
	Section 106						0
	Section 106 Grants						0
			(2,495)	(3,791)	(2,637)	(71)	
	Grants		(2,495)	(3,791)	(2,637)	(71)	0
	Grants Capital Receipts		(2,495)	(3,791)	(2,637)	(71)	0 (8,994)
	Grants Capital Receipts Interest on Loan Notes		(2,495)	(3,791)	(2,637)	(71)	0 (8,994) 0
	Grants Capital Receipts Interest on Loan Notes LABV profit Distribution	(10,868)	(2,495)	(3,791)	(2,637)	(71)	0 (8,994) 0 0
	Grants Capital Receipts Interest on Loan Notes LABV profit Distribution Revenue Contributions	(10,868) (10,868)		(3,791)	(2,637)	(71)	0 (8,994) 0 0
	Grants Capital Receipts Interest on Loan Notes LABV profit Distribution Revenue Contributions Borrowing requirement		(2,675)				0 (8,994) 0 0 0 (13,543)
	Grants Capital Receipts Interest on Loan Notes LABV profit Distribution Revenue Contributions Borrowing requirement Total Funding		(2,675)				0 (8,994) 0 0 0 (13,543)
	Grants Capital Receipts Interest on Loan Notes LABV profit Distribution Revenue Contributions Borrowing requirement Total Funding Revenue Impact		(2,675)				0 (8,994) 0 0 0 (13,543)

Appendix A2 – General Fund		2014-15	2015-16	2016-17	2017- 18	2018- 19	Total
spend	Project	CIOOO	01000	CIOOO	01000	CIOCO	01000
	Education Complete	£'000	£'000	£'000	£'000	£'000	£'000
D054	Education Services	E E04	E 00E	2.500	2.000	0	40.420
P051	Primary Expansions (Phase 2 for 2011)	5,584	5,995	3,560	3,000	0	18,139
P076 P090	Town Hall Conversion	261	1,500	50			1,811
	Expand Littledown School	2	005	500	050		2
P093	Schools Modernisation Programme	3,072	685	500	250	050	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
	Total Education Services	9,908	13,190	12,975	3,615	365	40,053
	Chief Executive						
P109	Local Broadband Plan	76					76
	Total Chief Executive	76					76
	Customer & Community Services						
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
	Total Customer & Community Services	9,029	2,220	850	750	650	13,499
	Community and Wellbeing						
	Supported Living	100					100
	Extra Care Housing	100					100
	Total Community and Wellbeing	200					200
	Resources, Housing and Regeneration						
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
FIII	Major riigriwayo r rogrammos			. 00			0,020

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
	Total RHR (excluding Heart of Slough)	6,188	7,401	2,169	2,169	2,169	20,096
	Heart of Slough						
P064	Infrastructure	200					200
	Total Heart of Slough	200					200
	1			15,994	6,534	0.404	74404
	TOTAL GENERAL FUND	25,601	22,811	13,334	0,554	3,184	74,124
	Funding	25,601	22,811	13,994	0,554	3,184	7 4,124 0
		(136)	(32)	0	0,334	3,184	•
	Funding				(5,314)	(2,064)	0
	Funding Section 106	(136)	(32)	0	•	,	0 (168)
	Funding Section 106 Grants	(136)	(32)	0	•	,	0 (168) (50,731)
	Funding Section 106 Grants Capital Receipts	(136) (13,590)	(32) (15,089)	0 (14,674)	(5,314)	(2,064)	0 (168) (50,731) 0
	Funding Section 106 Grants Capital Receipts Revenue Contributions	(136) (13,590) (1,960)	(32) (15,089) (5,650)	0 (14,674) (500)	(5,314)	(2,064)	0 (168) (50,731) 0 (8,810)
	Funding Section 106 Grants Capital Receipts Revenue Contributions	(136) (13,590) (1,960) (9,915)	(32) (15,089) (5,650) (2,040)	0 (14,674) (500) (820)	(5,314) (400) (820)	(2,064) (300) (820)	0 (168) (50,731) 0 (8,810) (14,415)
	Funding Section 106 Grants Capital Receipts Revenue Contributions Borrowing requirement	(136) (13,590) (1,960) (9,915)	(32) (15,089) (5,650) (2,040)	0 (14,674) (500) (820)	(5,314) (400) (820)	(2,064)	0 (168) (50,731) 0 (8,810) (14,415) (74,124)
	Funding Section 106 Grants Capital Receipts Revenue Contributions Borrowing requirement Revenue Impact	(136) (13,590) (1,960) (9,915)	(32) (15,089) (5,650) (2,040)	0 (14,674) (500) (820)	(5,314) (400) (820)	(2,064)	0 (168) (50,731) 0 (8,810) (14,415) (74,124)
	Funding Section 106 Grants Capital Receipts Revenue Contributions Borrowing requirement Revenue Impact Extra Minimum Revenue Provision	(136) (13,590) (1,960) (9,915) (25,601)	(32) (15,089) (5,650) (2,040) (22,811)	0 (14,674) (500) (820) (15,994)	(5,314) (400) (820) (6,534)	(300) (820) (3,184)	0 (168) (50,731) 0 (8,810) (14,415) (74,124) 0

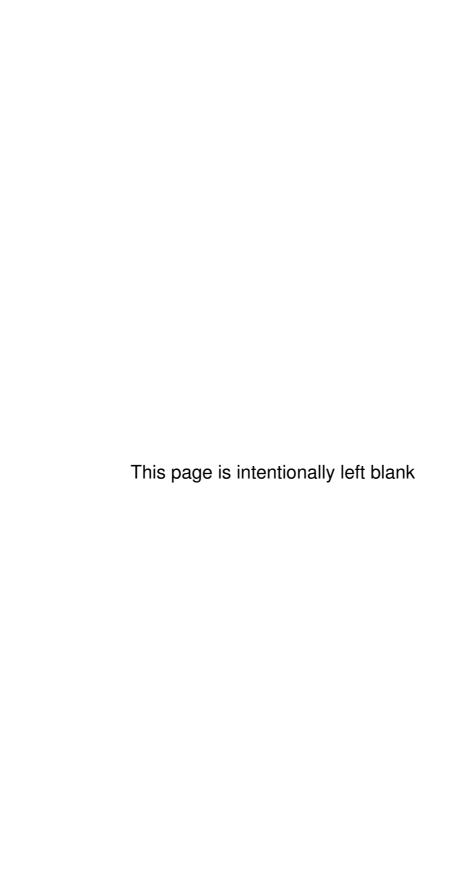
Appendix	Product	2014-15	2015-16	2016-17	2017-18	2018-19	Total
A3-HRA	Project	£'000	£'000	£'000	£'000	£'000	£'000
		2000	2000	2000	2000	2000	2 3 3 3
	Housing Revenue Account						
P544	Affordable Warmth/Central Heating						
P544A	Boiler Replacement	667	1,001	1,001	500	500	3,669
P544B	Heating / Hot Water 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						
	Decent Homes	5,207	5,610	4,981	3,287	3,287	22,372
							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
	Planned Maintenance - Capital	2,301	2,484	2,159	1,627	1,727	10,298
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
	Housing Revenue Account	10,008	11,544	11,490	10,264	10,364	53,669
	Funding						
	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)
	TOTAL	(10,008)	(11,544)	(11,490)	(10,264)	(10,364)	(53,669)

	£'000	£'000	£'000	£'000	£'000	£'000
Housing Revenue Account						
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						
Decent Homes	5,207	5,610	4,981	3,287	3,287	22,372
				,	Í	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
Panaunt Snops-Flat Root Replacement				0		
Parlaunt Shops-Flat Roof Replacement Darvills Lane - External Refurbs					200	400
Darvills Lane - External Refurbs	200	200	200	200	200 221	
•	200	200	200		200 221	400 1,041
Darvills Lane - External Refurbs Estate Improvements/Environmental Works	200 835	200	200	200		
Darvills Lane - External Refurbs Estate Improvements/Environmental Works Replace Fascias, Soffits, Gutters & Down				200 221	221	1,041
Darvills Lane - External Refurbs Estate Improvements/Environmental Works Replace Fascias, Soffits, Gutters & Down Pipes	835	668	501	200 221 250	221 250	1,041
Darvills Lane - External Refurbs Estate Improvements/Environmental Works Replace Fascias, Soffits, Gutters & Down Pipes Upgrade Lighting/Communal Areas	835 250	668 250	501 250	200 221 250 71	221 250 71	1,041 2,504 891
Darvills Lane - External Refurbs Estate Improvements/Environmental Works Replace Fascias, Soffits, Gutters & Down Pipes Upgrade Lighting/Communal Areas Communal doors	835 250 47	668 250 47	501 250 28	200 221 250 71 78	221 250 71 78	1,041 2,504 891 277

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Sheltered / supported upgrades	0	250	250			500
Planned Maintenance - Capital	2,301	2,484	2,159	1,627	1,727	10,298
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
Housing Revenue Account	10,008	11,544	11,490	10,264	10,364	53,669
Funding						
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)
TOTAL	(10,008)	(11,544)	(11,490)	(10,264)	(10,364)	(53,669)



SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE**: 6th February 2014

CONTACT OFFICER: Greg O'Brien

(For all enquiries) Democratic Services Officer

(01753) 875013

WARD(S): All

PART I FOR DECISION

<u>APPOINTMENT TO THE HEALTH SCRUTINY PANEL</u>

1 Purpose of Report

1.1 This report seeks approval to the appointment of a Member to the Health Scrutiny Panel.

2 Recommendations

The Committee is requested to RESOLVE that Councillor Shah be appointed to the Health Scrutiny Panel in place of Councillor Mittal with immediate effect.

3 Wellbeing Strategy Priorities

There are no implications for the Wellbeing Strategy priorities as this report is administrative in nature.

4. <u>Legal, Human Rights and Other Implications</u>

4.1 The recommendations meet the requirements of political proportionality as set out in Local Government and Housing Act 1989 and associated Regulations. There are no other implications arising from this report.

5. Supporting Information

- 5.1 The Council at its meeting on 28th January 2014 considered a report regarding revised seat allocations on Committees arising from the resignation of Cllr Mittal from the Labour Group.
- 5.2 The Health Scrutiny Panel is appointed by this Committee and the seats allocated on the Panel reflect Group membership and statutory proportionality entitlements and remain unchanged as follows:

Panel	Total Seats	Labour	Conservative
Health Scrutiny Panel	9	8	1

5.3 Councillor Mittal was appointed to the Panel as a Labour Group Member and therefore loses his seat on the Panel. The Labour Group has nominated Councillor Shah for appointment to the Panel in place of Councillor Mittal.

6. **Background Papers**

None

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny **DATE**: 6 February 2014

Committee

CONTACT OFFICER: Sarah Forsyth – Scrutiny Officer

(For all Enquiries) (01753) 875657

WARDS: All

PART I

TO NOTE

OVERVIEW AND SCRUTINY COMMITTEE - 2013/14 WORK PROGRAMME

1. Purpose of Report

1.1 For the Overview and Scrutiny Committee to review the current work programme for the Committee.

2. Recommendations/Proposed Action

2.1 That the Committee note the current work programme for the 2013/14 municipal year.

3. Joint Slough Wellbeing Strategy Priorities

- Economy and Skills
- · Health and Wellbeing
- Housing
- Regeneration and Environment
- Safer Communities
- 3.1 The Council's decision-making and the effective scrutiny of it underpins the delivery of all the Joint Slough Wellbeing Strategy priorities. The Overview and Scrutiny Committee leads the Council's statutory requirement to provide public transparency and accountability, ensuring the best outcomes for the residents of Slough.

4. Supporting Information

Work Programme

4.1 The current work programme is based on the discussions of the Committee at its previous meetings, looking at requests for consideration of issues from officers and issues that have been brought to the attention of Members outside of the Committee's meetings.

4.2 The work programme is a flexible document which will be continually open to review throughout the municipal year.

5. **Conclusion**

- 5.1 The Overview and Scrutiny Committee plays a key role in ensuring the transparency and accountability of the Council's financial and performance management, and strategic direction.
- 5.2 This report is intended to provide the Committee with the opportunity to review its upcoming work programme and make any amendments it feels are required.

6. **Appendices Attached**

A - Work Programme for 2013/14 Municipal Year

7. **Background Papers**

None.

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2013/14

Meeting Date 4 March 2014	Chief Constable Information Social Care Bill	8 April 2014	 ninistrative Items Scrutiny Annual Report utiny Items Leaseholder Services – Update on Improvements Job Clubs/Apprenticeships/work experience/Aspire Information Loanshark Service
	Scrutiny Items		Administrative Items

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MEMBERS' ATTENDANCE RECORD 2013/14

OVERVIEW AND SCRUTINY COMMITTEE

COUNCILLOR	04/06	20/80	10/09	01/10	12/11	03/12	14/01	06/02	04/03	08/04
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Davis	ı	1	1	ı	Ф	Ъ	۵			
Hussain	Ф	Ар	Д	Ар	Ф	Ъ	Ар			
Malik	Ф	۵	Ар	Д.	Ар	Д.	Д.			
M S Mann	Ф	۵	Ъ	Д.	۵	Ар	Д.			
Minhas	Ф	۵	Ар	۵	Ab	Ъ	۵			
Nazir	Ф	۵	Ъ	Д.	Ар	Д.	Д.			
O'Connor	Д	Ф	Ф.	Д	Ф	Д	Ф			
Small	Д	Ф	Д	Ар	1	1	1	1	1	ı
Smith	Ь	Ь	Ь	Д	Ь	Ар	Д			

P = Present for whole meeting Ap = Apologies given

P* = Present for part of meetingAb = Absent, no apologies given

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