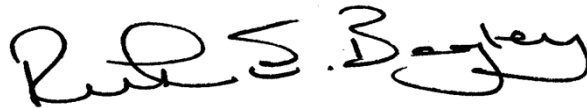


Date of issue: Friday, 9 December 2016

<b>MEETING:</b>	<b>CABINET</b> Councillor Munawar Councillor Hussain  Councillor Ajaib Councillor Bal Councillor Matloob Councillor Sharif  Councillor Sohal	Finance & Strategy Education & Children's Services / Health & Social Care Housing & Urban Renewal Environment & Leisure Transport & Highways Digital Transformation & Customer Care Regulation & Consumer Protection
<b>DATE AND TIME:</b>	<b>MONDAY, 19TH DECEMBER, 2016 AT 6.30 PM</b>	
<b>VENUE:</b>	<b>VENUS SUITE 2, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF</b>	
<b>DEMOCRATIC SERVICES OFFICER: (for all enquiries)</b>	<b>NICHOLAS PONTONE</b>  <b>01753 875120</b>	

NOTICE OF MEETING

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



**RUTH BAGLEY**  
Chief Executive

AGENDA

PART I

Apologies for absence.

1. **Declarations of Interest**

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

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

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

2.	Minutes of the Meeting held on 21st November 2016	1 - 10	
3.	<b>Leisure Strategy Capital Development Programme: Langley Leisure Centre and Salt Hill Leisure Facility</b>	11 - 30	All
4.	<b>Reconfiguration of the Borough's Activities Offer for People with Learning Disabilities</b>	31 - 40	All
5.	Financial Report - Month 7 2016/17	41 - 50	All
6.	<b>Council Taxbases for 2017/18</b>	51 - 56	All
7.	<b>Council Tax Support Scheme 2017-18</b>	57 - 66	All
8.	<b>2017/18 General Revenue Budget - Tranche 1 Savings Proposals</b>	67 - 76	All
9.	<b>Proposal to Establish Housing Company Group Structure</b>	77 - 94	All
10.	<b>Proposal to Introduce an Asset Management Company</b>	95 - 106	
11.	References from Overview & Scrutiny	To Follow	All
12.	Notification of Forthcoming Decisions	107 - 120	All

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
13.	Exclusion of Press and Public		
	It is recommended that the Press and Public be excluded from the meeting during consideration of the item in Part 2 of the Agenda, as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding the information) as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).		
<b>PART II</b>			
14.	Part II Minutes - 21st November 2016	121 - 122	
15.	<b>Subsidiary Housing Companies Update - Appendices One to Seven</b>	123 - 220	All
16.	<b>Strategic Asset Purchases 2016/17 &amp; Proposed Disposal of 204-208 High Street (former BHS store)</b>	221 - 250	All
17.	<b>Proposal to Introduce an Asset Management Company - Appendices</b>	251 - 260	

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. Please contact the Democratic Services Officer shown above for further details.

The Council allows the filming, recording and photographing at its meetings that are open to the public. Anyone proposing to film, record or take photographs of a meeting is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

Note:-

**Bold = Key decision**

Non-Bold = Non-key decision



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**Cabinet – Meeting held on Monday, 21st November, 2016.**

**Present:-** Councillors Munawar (Chair), Hussain (Vice-Chair), Ajaib, Bal, Matloob, Sharif and Sohal

**Also present under Rule 30:-** Councillors Anderson, Bains, Chaudhry, Morris, Nazir, Rasib, A Sandhu, Shah, Swindlehurst and Wright

**Apologies for Absence:-** None.

**PART 1**

**62. Declarations of Interest**

Councillor Bal declared that his daughter worked for Slough Borough Council.

**63. Minutes of the Meeting held on 17th October 2016**

**Resolved –** That the minutes of the meeting of the Cabinet held on 17<sup>th</sup> October 2016 be approved as a correct record.

Minute 57 – Housing Revenue Account Business Plan 2016-2046

The Interim Strategic Director, Regeneration, Housing and Resources informed the Cabinet that resolution (f) relating to the policy on rents on new build homes had not yet been implemented. This was to allow the Council to consider the implications of a recent court case potentially impacting on the lettings policy and allocations scheme. It was anticipated that these policies would come back to Members for approval following the review. The decision on differential rents had been called-in to the Overview & Scrutiny Committee, which in view of the delay in implementation had decided to defer detailed consideration of the rents policy until its meeting in January.

**64. Financial Report - Q2 2016/17**

The Leader of Council introduced a report that updated the Cabinet on the latest quarter 2 forecast financial information for the 2016-17 year.

The Cabinet welcomed Neil Wilcox, the newly appointed Assistant Director Finance & Audit to his first Cabinet meeting. It was noted that the finance report would in future be considered on a monthly basis by the Cabinet and the performance report would be quarterly. Work was underway to redesign the performance report and it was anticipated that this would come to the January Cabinet meeting.

The Assistant Director reported that the forecast overspend had increased to £1.6m since the most recent report to Cabinet. In addition to the previously reported pressure of £1m on the Adult Social Care budget, an overspend of

## **Cabinet - 21.11.16**

£423k was reported in Assets, Infrastructure and Regeneration arising from lower than budgeted asset acquisition income and £470k in the Highways and Environment Service due to the impact of homelessness pressures on temporary accommodation costs. Work was ongoing to reduce the forecast overspend by year end and the Cabinet would consider further proposals to increase income through the strategic acquisitions fund later on the agenda. The forecast net capital outturn was £73.5m against the total capital programme for the 2016/17 of £106.5m. The Housing Revenue Account was showing a surplus of £0.4m.

Speaking under Rule 30, Councillor Anderson suggested that the annual budget forecast comparison chart in section 6.2 of the report be rebased to exclude historic children's services budget information to enable a like for like comparison with previous years. He expressed concern that the chart showed the level of overspend was still rising at Month 6 compared to previous years when it was generally reducing. The Assistant Director commented that the overspend was below the level at the same stage in 2015/16 and that it was expected that the measures taken would bring start to reduce the overspend over the coming months.

At the conclusion of the discussion, the Cabinet agreed to note the report.

**Resolved** – That the current financial forecast and the ongoing work by departments to reduce the overspend be noted.

### **65. Draft Housing Strategy for Slough**

The Commissioner for Housing & Urban Renewal summarised the draft Housing Strategy 2016-2021. The Cabinet was asked to approve the draft as the basis of consultation with residents, statutory agencies, the voluntary sector and other stakeholders before coming back to Members for final approval.

The strategy set out the priorities, opportunities and challenges for housing in Slough and had been developed alongside the preparatory work for the Local Plan. There were five themes in the strategy – new housing supply, private sector, council homes, homelessness and housing need and special needs and vulnerable groups. The key features of the action plan included enabling the provision of 927 new housing units per year in line with the Strategic Housing Market Assessment; a commitment that the Council deliver an average of 200 housing units per year over the life of the strategy, including affordable housing; a rigorous enforcement regime and, where necessary prosecutions, against rogue landlords; an end to the use of bed and breakfast accommodation for families with children and additional measures to meet the housing needs of care leavers and up to three extra care schemes.

The draft would be subject to a consultation exercise in December and January. Commissioners emphasised the importance of ensuring the consultation was comprehensive and inclusive, and some of the detailed plans were noted including a housing conference and an additional meeting of

the Overview & Scrutiny Committee on 20<sup>th</sup> December. The Cabinet commented on a number of aspects of the draft including the balance between supporting the majority of responsible landlords in the borough whilst addressing the problem of rogue landlords; the impacts of population growth and major infrastructure projects on housing affordability; and the actions in themes 4 and 5 to support vulnerable people. The commitment to end the placement of children with families in bed and breakfast accommodation was welcomed and the Commissioner stated that the target was that no families would be in B&Bs by March 2017.

Speaking under Rule 30, Councillors Morris and Swindlehurst made a number of comments on various aspects of draft strategy which the Interim Strategic Director responded to in detail. The issues raised included the clarity of the vision for tenants on the options appraisal for the Council housing stock; governance of the proposed housing companies; consultation arrangements; housing for care leavers; consistency with the Local Plan on housing numbers; the proposed landlord registration scheme; funding for new council homes and the balance of tenures. The Leader encouraged Members to actively contribute to the development of the strategy through the consultation process.

At the conclusion of the discussion, the Cabinet agreed to approve the draft Housing Strategy for consultation.

**Resolved –**

- (a) That the draft Housing Strategy 2016-2021 be approved.
- (b) That the Strategy be issued for consultation with residents, statutory agencies, the voluntary sector and other stakeholders.
- (c) That the Strategy be brought back to Cabinet after the consultation for final approval.

**66. Approval of Local Plan Issues and Options Document**

The Commissioner for Housing & Urban Renewal and the Planning Policy Lead Officer introduced a report that sought approval of the Local Plan Issues and Options document that would be the subject of a six week period of public consultation. It was emphasised that the document at Appendix A to the report was designed to stimulate discussion and was not a draft plan. A shorter version would be produced for public engagement.

The Cabinet noted the major strategic issues identified in the report which included Slough's growing, young and dynamic population; providing the 927 dwellings a year of the Objectively Assessed Housing Need; the creation of 15,000 additional jobs; how the town centre could be revitalised; getting the maximum benefits out of the growth of Heathrow airport and mitigating any adverse environmental effects; and maintaining Slough's position as an 'economic powerhouse'. The report set out the possible ways in which the

## Cabinet - 21.11.16

Local Plan could address these issues and included a number of strategic 'spatial options' to put forward for public consultation. It was noted that even if all of these options came forward, Slough would still be 8,000 houses short of meeting the identified housing need over time, hence the options of expanding Slough or building elsewhere were being promoted but could only be achieved with the agreement of relevant authorities. It was a requirement to have a new Local Plan in place and although there was some uncertainty about the timescale for Slough in view of the proposed Heathrow expansion and co-ordination with neighbouring authorities.

Commissioners welcomed the progress that had been made and asked that the consultation be as simple as possible for people to engage with given the range and complexity of the issues involved. A communications plan was in place and whilst social media would be used to raise awareness of the consultation, people would need to comment through the website and other formal mechanisms. The option of introducing a congestion charge had been highlighted locally and it was clarified that the Issues and Options document was a discussion document setting all of the options over a twenty year period. It was confirmed that there was no immediate proposal to introduce such a scheme but it was an option in the long term if it was considered to be the right solution given the forecast growth of the town.

Councillors Wright, Bains, Swindlehurst, Hussain and Swindlehurst spoke raised a number of issues under Rule 30 including:

- The need to ensure a balanced approach be taken on the provision of new housing to ensure more family homes were provided to help people stay in Slough.
- The plan should be realistic on the supply of new homes and the numbers should be consistent with the draft housing strategy.
- The release of green belt land needed to be very carefully considered and not given up without clear local support.
- The inclusion of controversial issues such as a congestion charge and green belt release risked distracting from the other major issues in the document.

The Leader thanked Members for their contributions and emphasised that the publication of the Issues and Options document was the starting point for wider consultation. He encouraged them to provide these views through the consultation process.

The Cabinet agreed that the draft Issues and Options document be approved for consultation.

### **Resolved –**

- (a) That the draft Issues and Options Document for the Review of the Local Plan for Slough (2016-2036) be approved for public consultation, with delegated powers to Officers, following consultation with the



## **Cabinet - 21.11.16**

Commissioner for Housing & Urban Renewal, to make any necessary minor changes prior to publication.

- (b) That delegated powers be granted to Officers, following consultation with the Commissioner for Housing & Urban Renewal, to publish a Local Development Scheme setting out a timetable for the Review of the Local Plan for Slough.
- (c) That delegated powers be granted to Officers, following consultation with the Commissioner for Housing & Urban Renewal, to publish a Statement of Community Involvement (SCI) setting out how the Councils stakeholders and community would be involved in preparation of Planning Policy documents.

### **67. Tackling Empty Private Sector Housing**

The Commissioner for Housing & Urban Renewal introduced a report that sought Cabinet approval to take proactive and effective enforcement actions to deal with long term empty and derelict properties. Bringing such properties back into use would both improve the neighbourhood for local residents and bring back into use much needed housing stock. A separate report in Part II of the agenda sought approval to use Compulsory Purchase Orders (CPO) for seven properties.

The Cabinet was supportive of the action being taken to tackle this issue and sought assurance that reasonable steps had been taken with owners prior to the use of such powers. It was confirmed that CPO were a last resort and Officers sought to work with property owners wherever possible to bring homes back into use. It was noted that such powers had not been used by the Council for some years. Contact details had been published for residents to make the Council aware of other properties that could be considered for similar action.

Speaking under Rule 30, Councillor Swindlehurst welcomed the use of the available powers and highlighted previous decision taken to limit Council Tax reliefs for empty properties. He also encouraged the Cabinet to take action on the issue of unoccupied dwellings which accounted for more properties than those empty and derelict.

The Cabinet agreed the approach being taken to bring empty properties back into use.

#### **Resolved –**

- (a) That the Council's Housing Regulation Team use all available powers including, but not limited to, Compulsory Purchase Powers, Part 4 of the Housing Act 2004 and the Relevant Town & Planning Act 1990 to bring long term empty derelict properties back into use .

- (b) That The CPO report in Part II of the agenda, which sought approval to use Compulsory Purchase Power to deal with seven long term empty properties, be noted.

**68. Digital and Customer Transformation Programme**

The Commissioner for Digital Transformation and Customer Care introduced a report that updated the Cabinet on the 'define' phase of the digital transformation programme and sought approval for resources for the design phase.

The programme had a wide range of potential benefits to residents and services users, for example by improving the Council's digital offer to be fully mobile and accessible; to businesses, by making it easier to manage business rates or regulatory services; and to the Council by driving revenue savings and understanding customers better to improve the design of services. Commissioners recognised that the design phase was crucial in achieving these benefits and it therefore considered the request for £625k of invest-to-save funding to support this activity. The Cabinet supported the vision of making the Council a leading digital organisation and wanted the programme to move forward quickly to begin to achieve the benefits as quickly as possible, particularly given the need for the redesign of some services and the rapid changes in technology and its use. It was expected that after six months a business case would be ready and the anticipated level of revenue savings was between 18% and 35%.

The Cabinet approved the resources required to progress with the design phase of the scheme.

**Resolved –** That Officers be instructed (subject to Capital Strategy Board approval) to commence the recruitment of the Programme Team and the Design Phase of the Digital and Customer Transformation Programme at an estimated cost of £625k. This was an invest-to-save bid for pump-prime funding to support delivering the outcomes of the 5-year plan and Revenue savings in the range of 18% to 35%.

**69. Proposed Strategic Acquisition Strategy**

The Commissioner for Housing & Urban Renewal introduced a report that sought approval to recommend to full Council an additional £25m from the capital programme to the strategic acquisition fund to secure land and/or investment assets that improved the Council's financial resilience and brought forward sites to contribute to the regeneration of the borough. It was also proposed to amend the scoring criteria associated with out-of-borough investment assets.

The Strategic Acquisitions Strategy had been agreed in September 2015 with an initial capital budget of £25m. A total of £13.6m had been spent generating additional gross income of £596,775 for 2016/17. A further £9.2m

had been set aside for anticipated pipeline acquisitions in the current financial year leaving a balance of £2.2m. It was therefore proposed that a further £25m be added to the fund to build the portfolio and secure further revenue for the Council. Acquisitions were normally made within the borough, however, there was some flexibility to purchase out-of-borough investment assets to create a balanced portfolio and maximise financial returns. Under the current scoring criteria for proposed acquisitions, the minimum score would normally be 240 out of 400 (60%). It was proposed that out-of-borough acquisitions should score a minimum of 300 out of 400 (75%).

Speaking under Rule 30, Councillors Swindlehurst and Anderson asked about the slowdown in recent months in securing assets in the pipeline and about the risk of rising borrowing costs post-Brexit. It was responded that there had been a market slowdown after Brexit but activity was picking up and a number of acquisitions were moving forward. Each acquisition had a robust business case and a long term view was taken before any asset was purchased.

At the conclusion of the discussion, the Cabinet agreed to recommend to full Council on 29<sup>th</sup> November that an additional £25m of capital be made available to the fund and that the scoring criteria be amended as set out in paragraphs 5.13 to 5.15 of the report.

**Recommended –**

- (a) That it be agreed that whilst strategic acquisitions would normally be made within the Borough of Slough, to reduce risk, maximise financial returns and widen the potential to create a more balanced portfolio is achieved by buying investments outside Slough.
- (b) That the scoring criteria associated with out-of-borough investment assets be amended as set out in the report.
- (c) That the Capital Programme for 2016/17 be amended to increase the existing budget by an additional £25m.

**70. Lease Slough Refugee Support, 28 Bath Road, Salt Hill Park**

A report was considered that requested the Cabinet to recommend to full Council approval for the letting of 28 Bath Road, Salt Hill Park to Slough Refugee Support (SRS). It was noted that full Council approval was required in its capacity as Trustees of Salt Hill Park.

The property was located in the south eastern corner of the park on the junction with Bath Road and Stoke Poges Lane. SRS had been in vacant possession of the building for some time but the terms for a new lease agreed in 2008 were never formalised. Terms had now been agreed for the granting of a 5 year lease with an annual rent of £8,700 which would allow the charity to continue their work supporting the local refugee community. After due consideration, the Cabinet agreed to recommend approval of the lease agreement to full Council at its meeting on 29<sup>th</sup> November 2016.

**Recommended –** That the Council enter into lease agreement with SRS for 28 Bath Road, Salt Hill Park.

**71. References from Overview & Scrutiny**

The Cabinet considered two references from the Neighbourhoods and Community Services Scrutiny Panel meeting on 3rd November 2016:

- Resident involvement – That the Panel recommend to Cabinet that a Consultative Commissioning Group be established to improve resident involvement and that the Commissioner for Housing & Urban Renewal lead the Group.
- Neighbourhood Services: Garages – That the Panel requests Cabinet to support the development and rolling out of community based parking schemes for parking areas on housing land.

The Commissioner for Housing & Urban Renewal commented that he had considered the matters referred and proposed that the Cabinet accept both recommendations. This was agreed.

**Resolved –**

Resident involvement

- (a) That a Consultative Commissioning Group be established to improve resident involvement and that the Commissioner for Housing and Urban Renewal lead the Group.

Neighbourhood Services - Garages

- (b) That Cabinet support the development and rolling out of community based parking schemes for parking areas on Housing land.

**72. Notification of Forthcoming Decisions**

**Resolved –** That the published Notification of Decisions for the period between November 2016 to January 2017 be endorsed.

**73. Exclusion of Press and Public**

**Resolved –** That the press and public be excluded from the meeting during the consideration of the item in Part II of the agenda as it involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

Below is a summary of the matters resolved during Part II of the agenda.

**74. CPO Approvals for Seven Empty Properties**

Approval was given to use CPO powers to acquire seven empty properties in Slough to facilitate bringing them back into residential use or redeveloping the sites for residential purposes.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.47 pm)

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet      **DATE:** 19th December 2016

**CONTACT OFFICER:** Roger Parkin  
**(For all enquiries)** Strategic Director Customer & Community Services  
 (01753) 875207  
 Alison Hibbert  
 Leisure Services Manager (01753) 875896

**WARD(S):** All

**PORTFOLIO:** Environment and Leisure – Councillor Bal

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

**LEISURE STRATEGY: CAPITAL DEVELOPMENT PROGRAMME – LANGLEY LEISURE CENTRE AND SALT HILL LEISURE FACILITY**

**1 Purpose of Report**

- 1.1. An urgent decision is required from Members to enable refurbishment works to commence in June 2017 to both Langley Leisure Centre and the Salt Hill leisure facility.
- 1.2. The report summarises costs associated with the refurbishment works and design options.

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

The Cabinet is requested to resolve:

- (a) Langley Leisure Centre - That the proposals for the facilities extension, design, facility mix and timescales for delivery of the development are agreed.
- (b) Salt Hill leisure facility – That the proposals for the change of use and facility mix and timescales for delivery are agreed.
- (c) That the funding packages, amounting to £14.6 million for both schemes are noted and agreed

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

**3a Slough Joint Wellbeing Strategy Priorities**

All the actions within the Leisure Strategy will contribute towards achieving the overarching vision of the Slough Joint Wellbeing Strategy and will make significant contributions specifically to the health, wellbeing and safer Slough themes.

- **Health and Wellbeing.** Cabinet in July 2014 approved a strategy for leisure, with the overarching aim to "enhance the health and wellbeing of Slough

residents by ensuring leisure activity is adopted as a habit for life for all – more people, more active, more often”. The causal link between physical activity and overall health indicators is clear, particularly for obesity and heart disease, which are high priorities for Slough.

- **Safer Slough.** The opportunity to participate in shared leisure activities makes a positive contribution to community cohesion and interaction for all members of the varied and diverse community in Slough.
- **Regeneration and environment.** Leisure facilities contribute to the quality of the environment of the town. They provide opportunities to regenerate specific sites and local communities.

#### **Cross-Cutting themes:**

Good leisure facilities can improve the image of the town, making Slough a destination for sport and physical activity for local residents who will take a pride in the promotion of their use.

The leisure strategy and improved leisure facilities contribute towards addressing key priorities as set out in the JSNA including childhood obesity, positive activities for young people and cardio vascular disease.

### 3b **Five Year Plan Outcomes**

- Slough will be the premier location in the south east for businesses of all sizes to locate, start, grow, and stay – good quality, accessible leisure facilities are attractive to employers to ensure a healthy workforce which is imperative for a businesses success.
- There will be more homes in the borough, with quality improving across all tenures to support our ambition for Slough – the future development of leisure facilities on chosen sites in the town will compliment planned housing developments and assist the organisational aim of maximising the value of assets.
- Slough will be one of the safest places in the Thames Valley – leisure activity can be used as a diversionary activity for young people who could be at risk of anti-social behaviour.
- More people will take responsibility and manage their own health, care and support needs – accessible leisure opportunities in the right location will enhance the health and wellbeing of all individuals living in Slough.
- Children and young people in Slough will be healthy, resilient and have positive life chances – improved leisure facilities will provide children and young people with wider opportunities for participation in sport and physical activity which results in greater physical and mental wellbeing. The proximity of the proposed new facilities to educational establishments will maximise use and allow the Council to realise corporate aims.
- The Council’s income and the value of its assets will be maximised through capital development and improvements to its leisure facilities.

### 4 **Other Implications**

#### (a) **Financial**

- i. £14.6 million is required to undertake the required refurbishment works on the two leisure facilities



- ii. Within the current Medium Term Financial Strategy (MTFS) capital programme, funding of £1.3 million has already been allocated for essential mechanical and electrical works required for Langley Leisure Centre
- iii. The annual cost of funding the required capital borrowing of £14.6m for these two leisure schemes is estimated at:

Venue	Cost	Cost of borrowing over 25 years @ 2.55%	Annual cost of borrowing	Cost of borrowing over 15 years @ 2%	Annual cost of borrowing
Salt Hill	£6,595,912	3,215,507.10	128,620.28	1,672,063.69	111,470.91
Langley	£7,959,970	3,880,485.38	155,219.42	2,017,852.40	134,523.49

- iv. There are no ongoing revenue costs related to these developments apart from the borrowing costs, as the new leisure provider will take responsibility for all operations and management of the sites, including full maintenance and capital improvements for the next 10 to 15 years.
- v. It is anticipated that by providing a portfolio of fully refurbished and new leisure facilities, at an estimated cost of £40m, by the autumn 2018 ( to include ice and the new leisure centre development also) to a new provider to operate from 1<sup>st</sup> June, the Council will receive the following revenue efficiencies:
  - £333,000 from year 1 in management fees
  - £263,000 in business rates payments, which will be picked up by the operator
  - Income from surplus on the operating costs from year four onwards of circa £500,000 per annum
  - Reactive maintenance of circa £30,000 on both facilities per annum.

(b) Risk Management

Project	Risk	Mitigating action	Opportunities
Langley Leisure Centre / Salt Hill	Financial (revenue) - pressures on the Councils budget	These facilities will sit within the scope for the re-procurement of the leisure contract passing on financial risk to the incoming leisure provider	The new facility will contribute to more people being physically active, which is a key priority for the Council.
Langley Leisure Centre / Salt Hill	Financial (capital) – Costs become inflated and the scheme is unaffordable	Present cost effective option and identify appropriate contingency. Agree fixed price contract with	Look at other funding opportunities. Use SUR as a delivery mechanism. This reduces

		Morgan Sindall and manage potential scope creep	the procurement period and associated construction inflation.
Langley Leisure Centre / Salt Hill	Planning – Planning conditions not met	Project manager to ensure compliance and planning to be involved in key meetings of the leisure strategy board	
Langley Leisure Centre / Salt Hill	Health and Safety	Fully addressed for new facilities as they are developed Construction stage issues will be addressed within the construction contract, Operational risks will be considered and developed to respond to the specific risk and will in due course be passed onto the operator to manage.	
Langley Leisure Centre / Salt Hill	Equalities Issues – the new facilities fail to meet the needs of all	A broad community programme is available to all at all sites.	Improved access to quality facilities will contribute to increasing levels of activity by Slough residents
Langley Leisure Centre / Salt Hill	Community support – Objections to development plans	Communications strategy in place and full consultation on designs to be undertaken	
Langley Leisure Centre / Salt Hill	Timetable for delivery – Key deadlines are not met	Project management in place and slippage reported early. Provide a	

		back-up plan for unforeseen delays	
Langley Leisure Centre / Salt Hill	Cost overruns	The building contract will be let on the basis of fixed costs	Opportunities for value management if required.
Langley Leisure Centre / Salt Hill	Project Capacity – Adequate resources are not in place	Allocate sufficient resources to the management of the programme	Utilise SUR and expert advisor to augment in-house expertise and ensure the project is delivered on time.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights implications in regard to this report.

Local authorities have a range of powers to deliver leisure services which includes both recreation and sport. This would include the delivery of leisure centres and sports facilities which are all discretionary services.

The procurement of the refurbishment works will be pursued through our regeneration partner, Slough Urban Renewal.

There are a range of construction and commercial contract issues that need to be resolved in relation to the delivery of the schemes.

(d) Equalities Impact Assessment

Full EIA's have been completed for both of the proposed capital schemes.

(e) Workforce

The delivery of the leisure capital programme will require specialist roles including dedicated project management and these will be built into the capital costs of the programme going forward.

(f) Property

Asset intensification has been considered and appraisals of both schemes undertaken.

In 2014 an appraisal of Salt Hill Park as a site for the development of the replacement leisure centre for Montem was carried out. This concluded that the covenant on the park / public open space would not allow for greater development of the site, which is held in Trust (James Elliman Trust) for the benefit of Slough residents and dates back to the late 1800s. In addition the ongoing issue in regard to insufficient parking in the park will be addressed by

the proposed development by providing an additional 50 spaces with improvements to the adjacent works compound.

Langley Leisure Centre also suffers from car parking issues on this small scale site. In customer surveys a continued complaint is the insufficient numbers of available parking spaces on the site, with many users being forced to park on the main road or in the adjacent trading when using the facility. As the proposed development is a refurbishment scheme rather than a new build, which may offer greater flexibility, there is limited scope for any residential development on this very small scale site. There is limited opportunity for retail development as the local area has a well serviced shopping precinct within 100 metres of the leisure centre.

The Council's core planning policy in relation to housing and retail development would not support the development of related schemes on these sites, which has been confirmed by our planning team.

The improvement works proposed will give a further 20 years of use to both buildings in conjunction with a robust maintenance schedule.

(g) Carbon Emissions and Energy Costs

All building refurbishment works will be undertaken to be energy efficient and for a percentage of energy to come from low or zero carbon sources.

**5. Supporting Information**

- 5.1 The Council aspires to provide the very best leisure facilities for its local residents; facilities that are accessible, in prime locations across the town. Increasing the participation rates of people who live in Slough in sport and physical activity is a key priority for the Council; getting more people, more active, more often.

**Salt Hill Leisure Facility**

- 5.2 On 31<sup>st</sup> May 2017 Salt Hill Park Ten Pin will be handed back to the Council as an empty shell, as Slough Community Leisure, the Council's incumbent leisure provider will strip all assets owned by them from the building. This leisure facility will form part of the scope and portfolio of facilities for the new chosen operator who will start managing the Council's leisure contract from 1<sup>st</sup> June 2017.
- 5.3 It is proposed to refurbish the facility from the date of handover from SCL, and an options appraisal has been undertaken on the type of facility that should be developed on the site going forward. The option to re-provide a ten pin facility on that site is not being considered as there are other options which are deemed more beneficial both financially and in terms of social return including community health and wellbeing. The favoured type of leisure offer being considered will target the needs of children and families in encouraging greater participation in physical activity; this will be met through a proposal to develop an extreme activity centre.
- 5.4 The proposed extreme activity centre will offer a variety of attractions and we would expect the facility to attract visitors regionally as a key leisure destination

point. Initial indications show a potential to increase visits to the new facility from 98,000 per annum at the present facility up to 192,000 visits per annum.

- 5.5 The current proposals for the refurbished facility could offer:
- 4 lane ten pin
  - Large soft play area – 0 to 8 years
  - Trampolining zone
  - Golf simulator
  - Caving zone
  - High wire climbing zone
  - Games area
  - Slot car racing
  - Party room(s)
  - Café
  - Bar
  - VIP area
- 5.6 We expect demand to be high therefore improved and increased car parking facilities (up to 50 additional spaces) are proposed to the rear of the building to compliment the existing car park.

### **Langley Leisure Centre**

- 5.7 Langley Leisure Centre is one of Slough Borough Council's prime leisure sites, based in the east of the borough in the Foxborough ward, with a large catchment area extending into Buckinghamshire and Hillingdon. The centre was built in 1997 and is now in need of major capital improvements to ensure that it can offer quality swimming and leisure provision to the community for the next 20 years.
- 5.8 The facility is now at a stage in its life that replacement of plant and upgrading of ventilation and lighting, repairs to the main pool are essential to the ongoing lifecycle of the facility. A complete refurbishment of internal design and decoration is proposed to make it more attractive to users giving an improved customer experience.
- 5.9 In addition to meet current demand and improve the financial viability of the centre it is proposed to build an extension to the current gym area to double the capacity from a 60 station facility to 120 stations, with 2 new, larger activity studios.
- 5.10 The facility is well used by the wider community and usage figures reflect this. With any newly refurbished leisure facility the re-opening of the centre would anticipate a marked improvement in footfall / visits of up to 20% per month, equating to 50,000 additional visits annually. It is anticipated that the extended gym and studio provision could leverage additional surplus of circa £255,000 per annum, through additional membership sales of up 800.

- 5.11 In April 2015 a business case was presented to Capital Strategy Board and approval for essential plant and M&E works was agreed. These works were estimated to cost £1.3 million and the budget sits in the current capital programme. Unfortunately these works were deferred due to legal issues and the availability of the site.

### **Timescales**

- 5.12 It is proposed to start the development works on both sites in early June 2017; to coincide with the start of the new leisure contract, when the new operator will take responsibility for the operations and management of four leisure sites owned by the Council.
- 5.13 Refurbishment works on Langley Leisure Centre are estimated to take up to 65 weeks for completion, commencing in June 2017, with a re-opening date in September 2018. Salt Hill will be required to close for all refurbishment works, estimated to take up to 36 weeks for completion, commencing in June 2017 with a re-opening in March 2018.

### **Public Consultation**

- 5.14 A series of consultation events have been held over the last 4 weeks, targeting the views of young people, children and their families, along with disabled individuals and groups on the Salt Hill development. There is overwhelming support for the plans and a report detailing individual responses has been compiled and will be used to further develop the plans for the refurbishment of this facility.
- 5.15 Public consultation on Langley Leisure Centre improvements and plans will be undertaken in the new year.

## **6 Comments of Other Committees**

None

## **7 Conclusion**

- 7.1 The Council's five year Leisure Strategy details the Council's aspirations for the development and improvement of its leisure facilities. All new and improved leisure provision will have the potential to offer a programme of activity attracting local people of all ages to become more active, more often.
- 7.2 The proposed refurbishment schemes will give both facilities another guaranteed 20 years of use by the local community and will increase footfall / visits by up to 150,000 per annum
- 7.3 As part of the new leisure contract, all future maintenance and capital investment will be the responsibility of the new leisure provider for the next 10 to 15 years, as part of contractual obligations.
- 7.4 It is proposed to commence the development of both of these schemes in June 2017.

8 **Appendices Attached**

1. Langley Leisure Centre – design and site layout
2. Salt Hill Park Leisure Centre – design and site layout

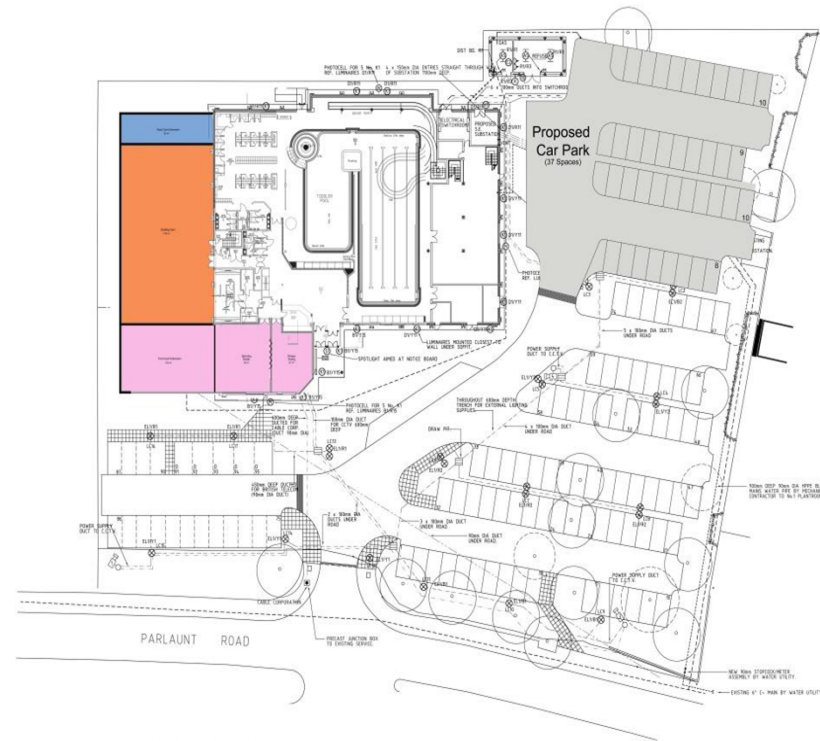
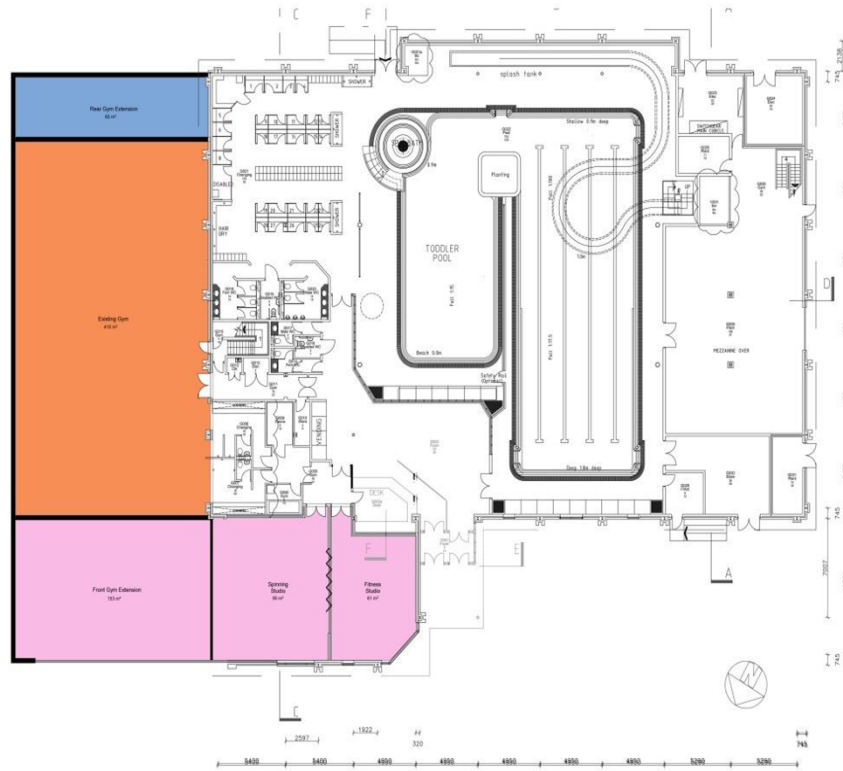
9 **Background Papers**

None

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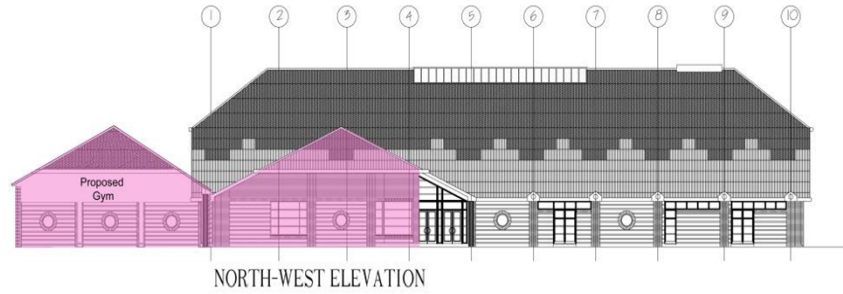


# Appendix 1 – Langley Leisure Centre



- Existing fitness suite to be re-decorated (ceiling, floor and walls) and opened at each end to new fitness suite extension
- New single storey fitness suite extension - roof to be pitched and to link in with existing gym roof
- New single storey fitness suite extension with flat roof

132 Tot. Car Park Spaces



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## Slough Ten Pin Bowling Refurbishment



[www.slough.gov.uk](http://www.slough.gov.uk)  
**Slough**  
Borough Council

## Project Background

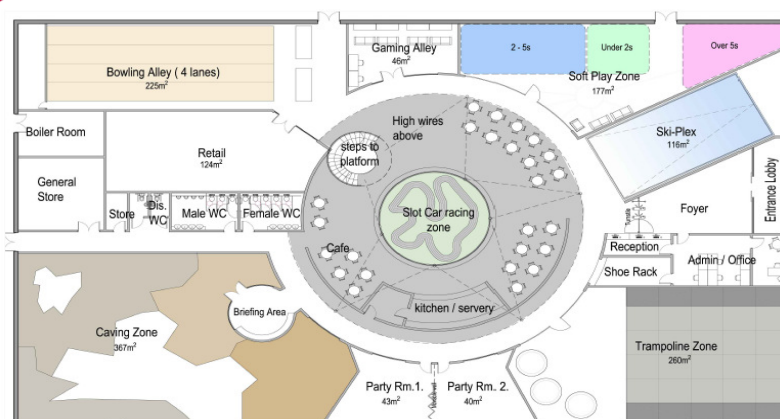
- 31<sup>st</sup> May 2017 Salt Hill Park Ten Pin will be handed back to the Council as an empty shell.
- Slough Community Leisure, the Council's incumbent leisure provider will strip all assets owned by them from the building.
- The Salt Hill leisure facility will form part of the scope and portfolio of facilities for the new chosen leisure operator who will start managing the Council's leisure contract from 1<sup>st</sup> June 2017.
- Refurbishing the facility will reduce ongoing maintenance costs and improve income generation which will make the facility more attractive to potential new providers.

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**Slough**  
Borough Council

## Progress To Date

- MACE, our commissioned leisure advisors, were requested to produce a business plan for an extreme family activity centre located at the current Absolutely Ten Pin bowling facility.
- A draft floor plan and designs have been prepared on the assumption of a set of facilities in the unit.
- The business plan indicates that the facility from year 1 would run at surplus and would be very attractive to potential operators
- Public consultation to date has expressed great support for the scheme, particularly from parents and young people.

## Proposed Floor Layout

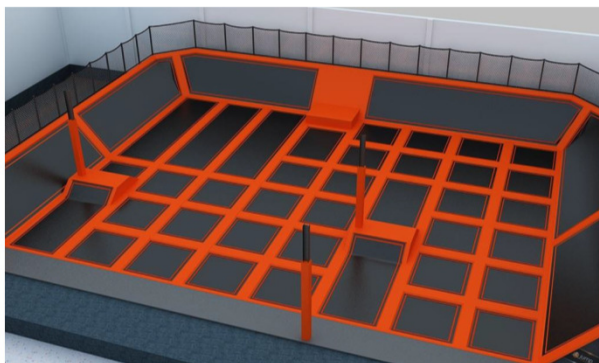


## Indoor Caving



[www.slough.gov.uk](http://www.slough.gov.uk)  
**Slough**  
Borough Council

## Trampoline Park



[www.slough.gov.uk](http://www.slough.gov.uk)  
**Slough**  
Borough Council

## Soft Adventure Play



[www.slough.gov.uk](http://www.slough.gov.uk)  
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## 4 Lane Ten Pin Bowling



[www.slough.gov.uk](http://www.slough.gov.uk)  
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Borough Council



## Communal Café



[www.slough.gov.uk](http://www.slough.gov.uk)  
**Slough**  
Borough Council

## Giant Scalextric



[www.slough.gov.uk](http://www.slough.gov.uk)  
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## 21<sup>st</sup> Century Gaming Alley

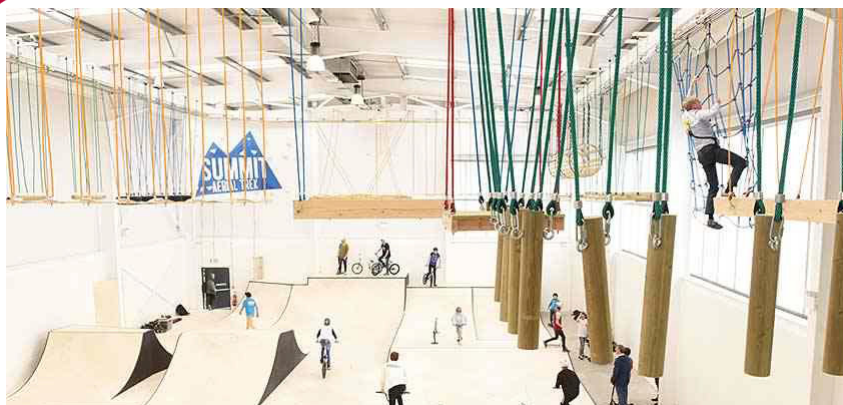


## Indoor Ski-plex





## Indoor High Ropes



## Estimated Visits

Number of Visits	Year 1	Year 2	Year 3	Year 4	Year 5
Caving Zone	6,448	6,744	7,056	7,056	7,056
4 Lane Ten Pin Bowling	20,593	21,737	22,881	24,025	24,025
Soft Adventure Play	35,450	37,223	39,015	39,015	39,015
Indoor High Ropes	17,056	18,013	19,028	19,028	19,028
Trampoline Park	34,992	36,936	38,880	38,880	38,880
General Visitors - Parents etc.	57,270	60,326	63,430	64,002	64,002
<b>VISITS</b>	<b>171,809</b>	<b>180,979</b>	<b>190,290</b>	<b>192,006</b>	<b>192,006</b>

50%

## Benefits

- Increase participation in physical activity
- A family attraction – something for everyone
- Reduction in long-term maintenance costs
- Increased income – better leisure management fee
- Contributes to the reduction in chronic illnesses (e.g. Obesity and Diabetes)
- Contributes to community safety and a reduction in anti social behaviour
- Provides a unique facility in Slough which could attract visitors from out of the Borough making Slough an attractive place to visit.
- Car park improvements – 50 extra spaces



The key areas of inequalities for people with Learning Disabilities are in housing, health and employment. There is a need to develop with people, Carers and partners an activities offer that:

- Promotes social inclusion, supports involvement in community activities and improves access to universal services
- Develops independent living skills and job related skills creating locally based work experience and job opportunities
- Improves health and life expectancy and addresses health inequalities
- Maintains the health and wellbeing of people thereby preventing or delaying their need to access hospital or residential care
- Safeguards people- raising awareness about keeping safe whilst promoting positive risk taking and encouraging involvement in community activities

### 3b **Five Year Plan Outcomes**

Services delivered will support the following outcome in the Five Year Plan

- More people will take responsibility and manage their own health, care and support needs

## 4 **Other Implications**

### (a) Financial

In 2015/2016 £650,000 savings were achieved through the first phase of the transformation programme by supporting people with a learning disability based in out of borough residential care back to supported living accommodation in Slough. The reconfiguration of the council's in house residential and replacement care units achieved savings of £247,000 in this financial year. It is anticipated that a further £350,000 will be achieved by people being supported by a range of community services rather than relying solely on council provided services.

Cabinet agreed on the 18th of July 2016 to reconfigure the Council's activities offer for people with learning disabilities, to retain the Priors and Phoenix day services and close the Elliman Centre and to delegate the date of this reconfiguration to the Commissioner for Health and Social Care and the Director of Adult Social Services once reassured about the progress made to develop an alternative offer.

The Priors and Phoenix buildings will require refurbishment and new adaptations to help meet the needs of people with complex needs. The Capital Strategy Board granted £826K on the 27th of September 2016 towards the refurbishment of the Phoenix and Priors buildings.

### (b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal- challenges have been issued to some local authorities when reconfiguring their day activities offer which has then	Reviews of all people currently attending day centres are in the process of being completed and support plans produced. People with complex needs	Families and advocates have been and will continue to participate in all reviews of service users who are attending day centres.

<p>delayed the implementation of services.</p>	<p>will continue to be supported in building based services; people with less complex needs will be supported to access activities in the community. Families and advocates have been and will continue to be involved in the reviews. Families were advised in September 2015 that a review of day centres will be taking place. Meetings took place with families and service users on the 30<sup>th</sup> of June 2016 advising them of the recommendations made to Cabinet on the 18<sup>th</sup> of July 2016. Letters were sent to families and service users confirming that Cabinet had approved the recommendations at the end of July 2016.</p>	
<p>Property-minimal risk</p>	<p>None</p>	<p>There is an opportunity for Adult Social Care to redevelop the site occupied by the Elliman centre following Cabinet's recommendation to close the centre.</p>
<p>Human Rights-minimal risk</p>	<p>None</p>	
<p>Health and Safety-minimal risk</p>	<p>None</p>	
<p>Employment Issues-Staff could leave whilst uncertainty remains about the future of in-house services. Vacancies would need to be filled by agency staff which would increase the staffing costs.</p>	<p>A restructure of the day centre staff has been proposed. A staff consultation began on the 29<sup>th</sup> of September 2016 and ended on the 28<sup>th</sup> of October 2016. The consultation outlined how staff's job descriptions would change from day centre officers to Activity Co-ordinators. No appeals were received against the matching process. The new staff structure will begin from the 1<sup>st</sup> of January 2017.</p>	<p>The new job descriptions provide opportunities for staff to work with partners within and outside of the Council to develop activities for people with learning disabilities and promote greater integration with the community at large.</p>

Equalities Issues- minimal risk	None	
Community Support- minimal risk	None	
Communications- The need to reconfigure the activities offer is not understood/ not accepted by staff, people and families	Day centre managers have continued to keep their staff informed about the review. Engagement with people and families has included letters, presentations and meetings. Staff were briefed about the recommendations to Cabinet on the 18 <sup>th</sup> of July 2016 on the 29 <sup>th</sup> of June 2016. Briefings for families and service users took place on the 30 <sup>th</sup> of June 2016. Staff, service users and families were notified at the end of July 2016 of Cabinet's decision to approve the reconfiguration of the borough's activities offer.	Ongoing communications and engagement with staff, service users and families.  Whilst some service users have been concerned about having their activity offer delivered from the community or from a different building based day centre, others have welcomed the opportunity to access their choice of activity at a time of their choosing with their own friendship group.
Community Safety- minimal risk	None	
Financial – As part of the borough's work to remodel its activities offer, opportunities may be given at a later date to the market to tender for the delivery of activities. The costs may be higher than the current cost to the Council.	The Local Authority will continue to deliver activities.  If an external provider is appointed to deliver day activities, the Council will work closely with the provider to monitor and assess the impact.	To reconfigure the borough's activities offer into one that supports people to become involved with the community, reduces social isolation, develops independent living and job related skills whilst still safeguarding people and supporting Carers.
Timetable for delivery- New models of activities may not be in place in time to meet the changed ways of working.	A project group has been set up to complete the tasks by the dates outlined in the project plan. The work will be overseen by the Programme Board.	
Project Capacity- Staff allocated to the project will face the challenge of competing priorities whilst delivering this project	Additional staffing resources will have to be identified to ensure that the work to complete the project continues.	Work in partnership with supported living providers to assess which people, currently attending a day centre, could be supported to access activities within the community.

(c) Human Rights Act and Other Legal Implications

It is not envisaged that the recommendations of this report will infringe either Article 3 or Article 8 of the Human Rights Act as this work is promoting the rights of people with learning disabilities.

(d) Equalities Impact Assessment

An equalities impact assessment has been completed. The equalities impact assessment recognised that there will be changes to the activities offer provision. However, this was not deemed to detrimentally affect users and their families as the changes mean service users will be able to access activities of their choice, at a time of their choosing with their own friendship groups. Any alternative provision will consider individual needs to ensure that an appropriate service is put into place.

(e) Workforce

Following Cabinet's approval on the 18th of July 2016 to reconfigure the activities offer to people with learning disabilities and to reduce the number of building based day centres from three to two, the job descriptions and the staffing structure for the day centres were reviewed. Consequently it was proposed to vary the job descriptions of the current day centre officers to Activity Co-ordinators. As Activity Co-ordinators, staff will be required to support people with learning disabilities to access activities both within the community and within building based services.

A consultation with staff on the proposed new staffing structure and job descriptions was carried out between the 28th of September 2016 and the 28th of October 2016. No redundancies or changes to staff's term and conditions were proposed.

No appeals were received from staff against the proposed new staffing structure or job descriptions.

The new staffing structure will be implemented from the 1st of January 2017. This will result in £65K savings for the period January to March 2017; £347K savings in a full financial year.

(f) Property

Following Cabinet's recommendation to close the Elliman Centre on the 18<sup>th</sup> of July 2016, Adult Social Care will be reviewing the potential use of the site.

(g) Carbon Emissions and Energy Costs

The energy cost for the Priors, Elliman and Phoenix day centres for the period May 2015 to December 2015 was £14,387.00. The Priors Day service is one of four buildings located at Priors Close. The total emissions for all four buildings are 55.259 tonnes of CO<sub>2</sub>. The carbon emissions for the Phoenix day centre (based on 14/15 energy consumption figures) were 18.045 tonnes of CO<sub>2</sub>. The estimated carbon emissions for the Elliman centre (based on energy figures from May 2015 to December 2015) are 22.319 tonnes of CO<sub>2</sub>. Upgrading the meters to smart meters would allow for more accurate energy consumption readings.

## 5 Supporting Information

Since the 18th of July 2016, the Community Team for people with learning disabilities (CTPLD) and current day centre staff have been reviewing service users currently attending the day centres. Reviews involve having a conversation with the service user, the family and/or advocate and all the people involved in the care and support of the service user. The aim is to ascertain the service user's wishes, interests and needs and the best way for these to be met in order to help the individual to meet their full potential and aspirations.

A summary of the work that has been done so far is provided below.

Elliman Centre: Fifty-seven service users are accessing the service

- Seventeen service users will leave the service by the end of November/ beginning of December 2016 and will have their activities offer either delivered by their supported living provider or will access activities in the community
- One service user who is living with their family will have services delivered from the family home.
- Twelve service users have the potential to have their activity offer met by the community or a combination of community and building based services. They will continue to attend a building based day centre whilst their reviews are taking place.
- Twenty-seven people from Elliman will continue to have their activities offer delivered from either the Phoenix or Priors Day services or from the Britwell Centre. They will be reviewed in the New Year.

Priors Day Service: Forty-four service users are accessing the service. Some of these service users also access the Phoenix day service.

- Eleven service users will leave the service by the end of November/ beginning of December 2016 and will have their activities offer delivered by their supported living providers. Another four service users will reduce their use of the Priors day service as more of their activities will be delivered by their supported living provider.

Phoenix Day Service: Twenty-four service users are accessing the service. Some of these service users also access the Priors Day service

- Reviews are currently being undertaken of six people to determine how their activities offer will be met.

The reviews completed with service users have found that there is capacity within some supported living services for the provider to deliver activities within the care hours already agreed with CTPLD. Work will continue to review all remaining service users who are attending the building based day centres. It is anticipated that approximately twenty-five people from Elliman will continue to need support from either the Priors or Phoenix buildings. They will fill the vacancies created by people who will no longer need a day centre as their activity offer will be met by their supported living provider. Reviews have also begun of the twenty-two people



attending an externally provided day centre provision to ascertain whether their needs can be met by the community or need to be met by attending either the Priors or Phoenix day services.

Reviews are starting for the service users who are living with their families. For those amongst this group who will have their activity offer met by the community they will have a phased exit from the day centre. Initially, they will have a combined offer of activities both in the day centre and in the community eventually moving towards an activity offer that is met by activities in the community.

No service user will leave the day centre without a review and an asset based support plan that will meet their needs.

All service users who have a change in their service provision will have a review after six weeks to ensure that the service users needs continue to be met.

All efforts are being made to maintain current friendship groups and to establish what service users' interests are. Day centre staff (soon to be Activity Co-ordinators) have been working with partners within the council and with external agencies to develop activities that can be accessed by people with learning disabilities. Some of the opportunities currently being explored are listed below:

- The Britwell hub at the Britwell Community Centre has been developed for a small group of service users. Service users (with the support of care workers) are already accessing the hub for one day a week. There are plans to extend this to three days a week from January 2017 for a larger group of service users.
- The allotment behind the Britwell centre will be managed by service users currently attending a day centre from January 2017.
- Six sports taster sessions took place between November and December 2016. The sessions gave service users taster sessions in table tennis badminton, fitness, boxing, boccia and wheelchair basket-ball. The sessions were open to both service users accessing building based day centres and those living in supported accommodation. Service users attending the activities gave a positive evaluation of the sessions. There are plans to develop further sessions in the New Year.
- There are plans for the Activity Co-ordinators to lead groups of service users in Healthy Walks around the borough's parks.
- Travel training opportunities are currently being explored.
- There are plans to develop ice skating and swimming activities.
- Staff are negotiating with colleagues in Parks for groups of service users to volunteer and help maintain some of the borough's parks.
- Colleagues in Commissioning, the Community Mental Health Team and the Community Development Team are exploring the development of a community café that could be run by people with learning disabilities and mental ill-health
- A private race-car simulation company in Slough's Business Park has offered to give a taster session at a subsidised rate to a group of service users.
- Colleagues in Commissioning have been working with Life Long Learning to develop courses tailored for people with learning disabilities including; healthy cooking on a budget, an introduction to social media and a photography/ life skills course.

- The forum for people with learning disabilities 'Speak Out' have established a Facebook page which will promote and share information about activities going on in and around the borough.
- Supported Living Providers have compiled a list of leisure activities that can be accessed by people with learning disabilities living in supported accommodation and in the community.

Ideas for activities are being sought from service users and families. A visit was recently organised for service users who are soon to move from the Elliman Centre to the Phoenix centre and their families. The visit was positively received by both service users and families who also used it as an opportunity to request the development of computer classes and DJ/ mixing music sessions.

Work will begin in the New Year to look at the borough's supported employment service. Our aspirations for our service users include working with employers so they can see the contribution that people with learning disabilities can make to their organisations. Employment offers people with disabilities the opportunity to be active and to bring in a wage which could allow them to become financially independent. Places of employment also provide opportunities to meet new people. The chances of financial independence, structure, social interaction and activity all have the potential to improve the health and wellbeing of people with learning disabilities.

CTPLD staff continue to work with service users and their families to allay concerns that naturally arise when changes are proposed to the support that they receive. Many service users have welcomed the opportunity presented to them to access activities of their own choosing that help them to meet their individual goals and aspirations. Other service users and their families have needed support to understand that their activities offer can be met by other community services and providers and not just from a building based day centre. We have summarised a few of the questions that we have received and the responses that we have given.

Q1) Service users will miss seeing old friends

Response: What we have found is that the Slough Learning Disability community is a small community. Service users see friends that they made at the day centre at activities that are within the community. They have also had the opportunity to make new friends.

Q2) Will service users stay in their flat for long periods of time?

Response: No. Where additional funding for community support is required this has been commissioned by Slough Borough Council. Providers are reorganising how they support service users in order to meet community use/day activity outcomes.

Q3) Service users are routine-led and need the routine of the daycentre, or they will get very upset.

Response: What we have found so far is that this has not been the case. This is because service users have been offered an activity they want to do. A departure from a daycentre will also be phased over a period of time.

Q4) What about safeguarding vulnerable service users in the community?

Response: The new activities are risk assessed for each individual. People with learning disabilities have historically been excluded from activities that we all enjoy because positive risks have not been taken. Therefore it is important to balance risk against opportunity, based on the service user's outcomes. Where one to one or small group support has been required this has been commissioned by Slough Borough Council using accredited community support providers.

The work described above demonstrates the considerable progress that has been made in reviewing service users and developing activities that seek to ensure that service users are mentally stimulated, have access to physical activity and have the opportunity to maintain their current friendships and support networks. It is anticipated that having activities that support people's independence and enable them to lead healthy, active lives will also reduce the pressures of caring on Family Carers. As a result of the progress that has been made in reconfiguring the borough's activities offer, it is anticipated that the Elliman Centre will close on the 1st of January 2017.

## **6 Comments of Other Committees**

An update report was submitted to the Health Scrutiny Panel meeting on the 23<sup>rd</sup> of November 2016. The Committee resolved the following:

- a) That the update be noted.
- b) That the Panel receive a further report at it's meeting on 29th June 2017 on the progress made in enhancing the range of community based provision; feedback from service users and families on the impacts of the reconfiguration; and tracking information on the services being used by those effected by moving from building based day centre provision.
- c) That the following recommendations be made to the Cabinet on 19th December 2016:
  - i. That the Commissioner for Health & Social Care work with the Head of Adult Safeguarding and Learning Disabilities to explore further employment and apprenticeship opportunities for people with learning disabilities.
  - ii. That the Head of Adult Safeguarding and Learning Disabilities review the opportunities for residents to use Council facilities and open spaces e.g allotments.

## **7 Conclusion**

This report outlines the progress made in reconfiguring the borough's activities offer to one which provides opportunities for people with learning disabilities to choose how best to meet their own support needs whilst also ensuring the Council is complying with the requirements of the Care Act 2014. Reviews have been conducted with service users with the involvement of families and advocates. Risk assessments have been conducted for each individual when considering alternative activities as opposed to attending a day centre.

No service user will leave a day centre without a review and an asset based support plan that will meet their needs. Conversations with service users and families attending building based day centres will continue as part of their reviews. There

will also be a six week review for all service users who have had a change in their service provision to check on their progress and ensure that their needs are being met. People with learning disabilities will have opportunities to become more integrated with the local community as opposed to remaining marginalised. As a result of the work that has been undertaken with people, families and service users, the Director of Adult Social Care and Commissioner for Health and Social Care have been assured that the impact for people using the Elliman Centre will be minimal and under delegated authority have approved the closure of the centre on the 1st of January 2017.

8 **Background Papers**

None

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 19<sup>th</sup> December 2016

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

**WARD(S):** All

**PORTFOLIO:** Councillor Munawar, Commissioner for Finance & Strategy

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

**FINANCIAL REPORT – MONTH 7 2016-17****1 Purpose of Report**

- To provide Cabinet with the Month 7 (October) forecast financial information for the 16-17 financial year.
- To approve the write offs contained within this report.
- To approve the virements contained within this report.

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

The Cabinet is requested to resolve that the current financial forecast and the ongoing work by departments to reduce the over spend be noted.

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

The report indirectly supports all of the strategic 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 achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

The report helps achieve the corporate objectives by detailing how the Council is delivering the Council's budget in line with the approved budget.

**4 Other Implications****(a) Financial**

The financial implications are contained within this report.

**(b) Risk Management**

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	N/A	N/A
Property	N/A	N/A
Human Rights	N/A	N/A

Health and Safety	N/A	N/A
Employment Issues	N/A	N/A
Equalities Issues	N/A	N/A
Community Support	N/A	N/A
Communications	N/A	N/A
Community Safety	N/A	N/A
Financial	N/A	N/A
Timetable for delivery	N/A	N/A
Project Capacity	N/A	N/A
Other	N/A	N/A

(c) Human Rights Act and Other Legal Implications

None

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA.

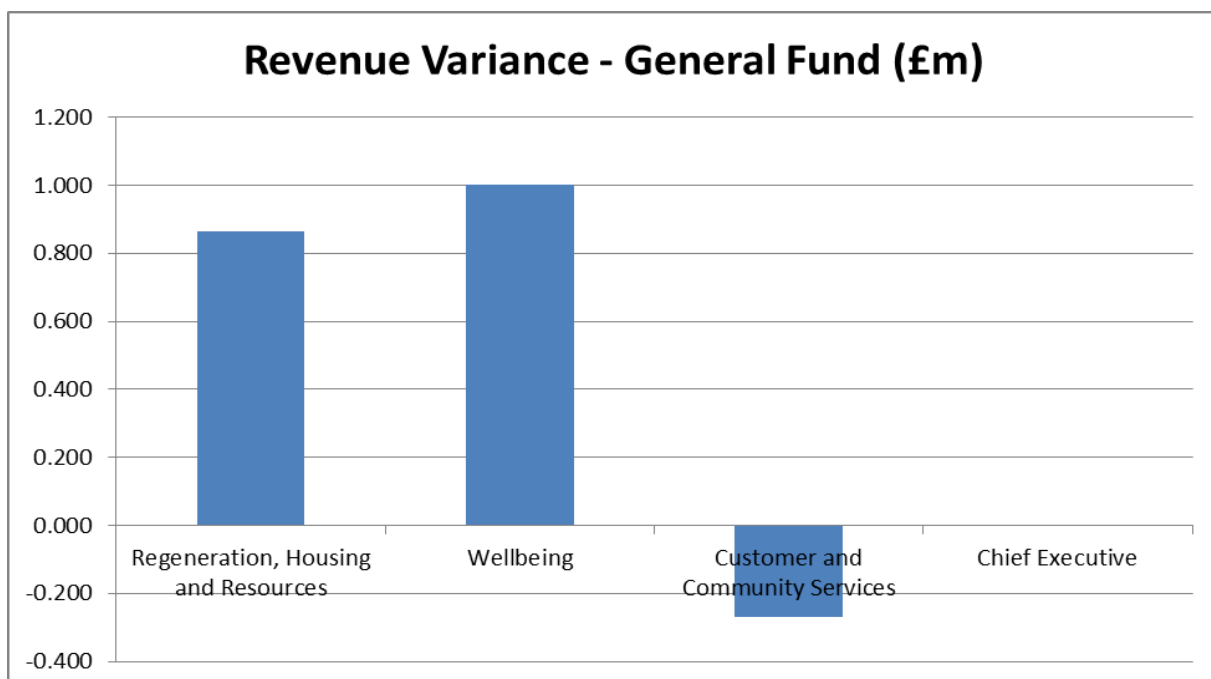
5 **Key Messages**

5.1 **Revenue – Forecast Outturn**

5.1.1 The Council is forecasting an over spend of **£1.596m** as at month 7 (October) after allowing for additional funding sources. The financial position is very similar to that reported in month 6, when the Council was forecast to over spend by **£1.604m**.

5.1.2. There has been no significant change in the forecasts during month 7. More detail is provided in paragraph 6.

5.1.3 The forecast outturn variance by Directorate is shown below.



## 5.2 Housing Revenue Account

5.2.1 The Housing Revenue Account for 2016/17 was originally expecting a deficit of £0.064m. As at the end of period 7 the forecasted net outturn remains a surplus of £0.396m as shown below. The net variance is therefore £0.460m

Division	Annual Forecast		
	Budget	Forecast	Variance
	£ 000's	£ 000's	£ 000's
<b>HRA Expenditure</b>	<b>37,102</b>	<b>36,642</b>	<b>(460)</b>
<i>Tenant Services</i>	<i>2,187</i>	<i>1,821</i>	<i>(366)</i>
<i>Neighbourhood Housing Areas North/South/East/Resilience</i>	<i>1,228</i>	<i>1,228</i>	<i>0</i>
<i>Arears &amp; Investigation</i>	<i>511</i>	<i>511</i>	<i>0</i>
<i>Tenant Participation</i>	<i>270</i>	<i>270</i>	<i>0</i>
<i>Housing Allocations/Lettings</i>	<i>164</i>	<i>164</i>	<i>0</i>
<i>Leaseholder Team</i>	<i>249</i>	<i>249</i>	<i>0</i>
<i>Housing Repairs</i>	<i>8,500</i>	<i>8,500</i>	<i>0</i>
<i>Management &amp; Services</i>	<i>5,309</i>	<i>5,215</i>	<i>(94)</i>
<i>Loans and Bad Debt</i>	<i>6,378</i>	<i>6,378</i>	<i>0</i>
<i>Funding Of Capital Projects (RCCO)</i>	<i>12,306</i>	<i>12,306</i>	<i>0</i>
<b>HRA Income</b>	<b>(37,038)</b>	<b>(37,038)</b>	<b>0</b>
<i>Dwelling Rents</i>	<i>(32,730)</i>	<i>(32,730)</i>	<i>0</i>
<i>Garage Rents</i>	<i>(489)</i>	<i>(489)</i>	<i>0</i>
<i>Shop Rent</i>	<i>(660)</i>	<i>(660)</i>	<i>0</i>
<i>Other Rents e.g Ground, Wayleaves, Land</i>	<i>(474)</i>	<i>(474)</i>	<i>0</i>
<i>Leaseholder Service Charges Income &amp; Chargeable Works</i>	<i>(726)</i>	<i>(726)</i>	<i>0</i>
<i>General Service Charges</i>	<i>(1,934)</i>	<i>(1,934)</i>	<i>0</i>
<i>Interest</i>	<i>(25)</i>	<i>(25)</i>	<i>0</i>
<b>Total Operating Budget</b>	<b>64</b>	<b>(396)</b>	<b>(460)</b>

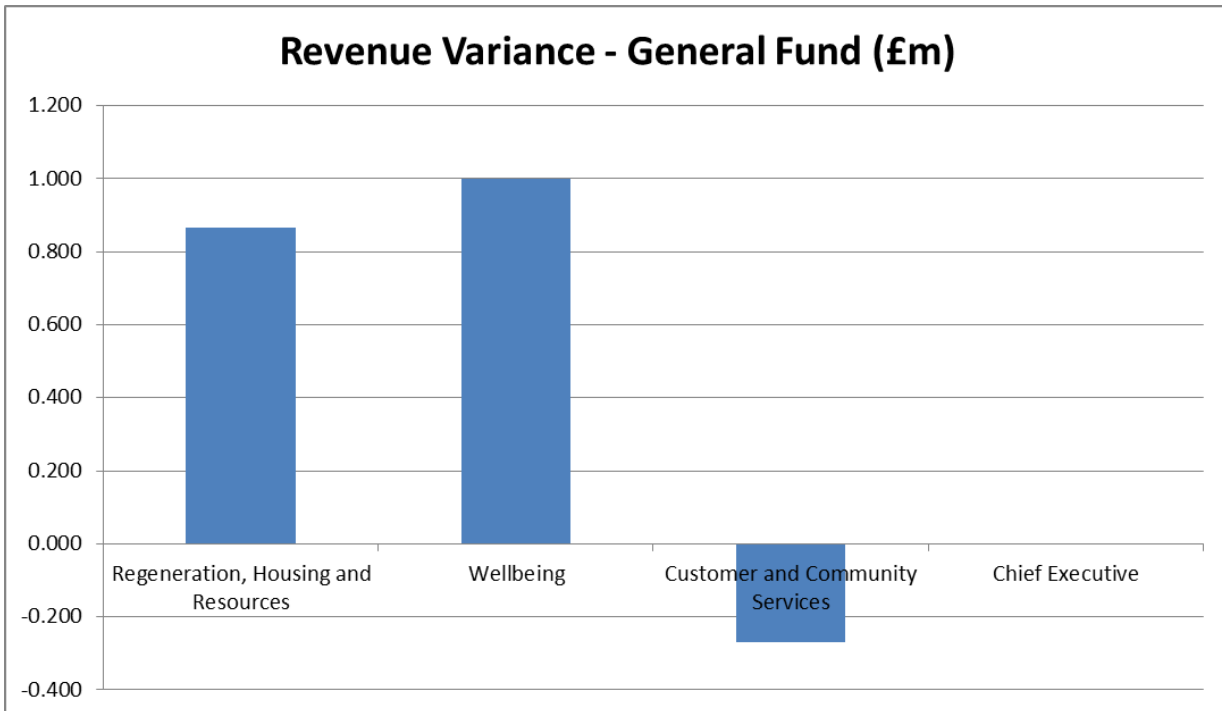
## 5.3 **Capital – Forecast Outturn**

5.3.1 The overall consolidated capital programme (including the HRA and general Fund) for 2016/17 is £111.727m. As at the end of period 7 the forecast net outturn has increased over the past month to £78.032m. The net variance is therefore £33.695m (30%). This is explained further in paragraph 7.

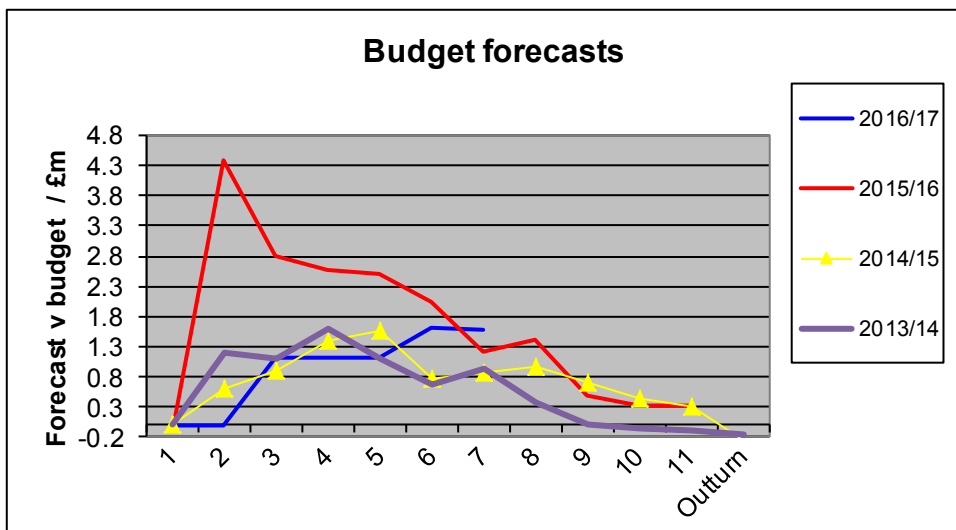
## **Executive Report**

### **6 Revenue Expenditure**

#### 6.1 Period 7 Forecast Outturn by Directorate

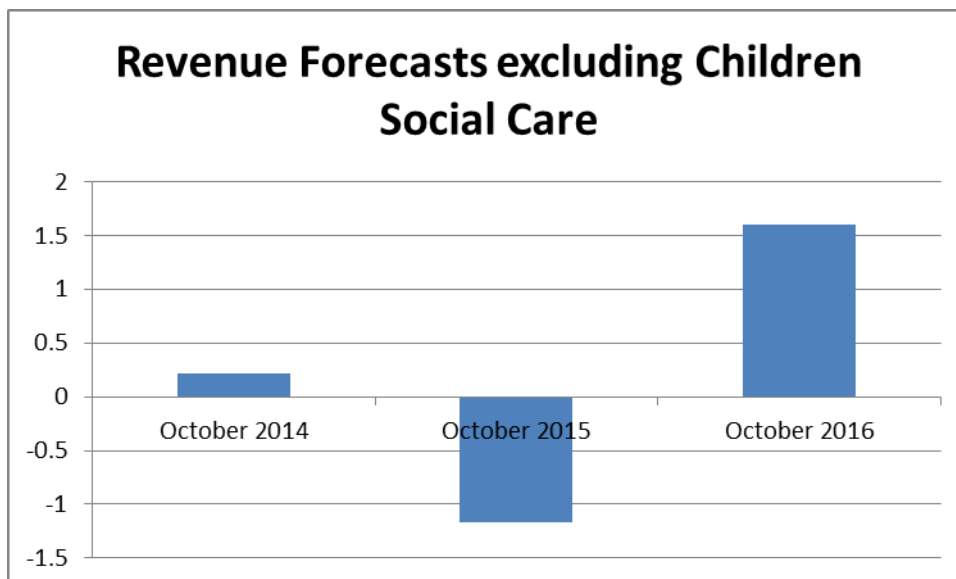


6.2 The table above shows the variances expected in each directorate. The budget forecasts compared to previous years can be seen below.

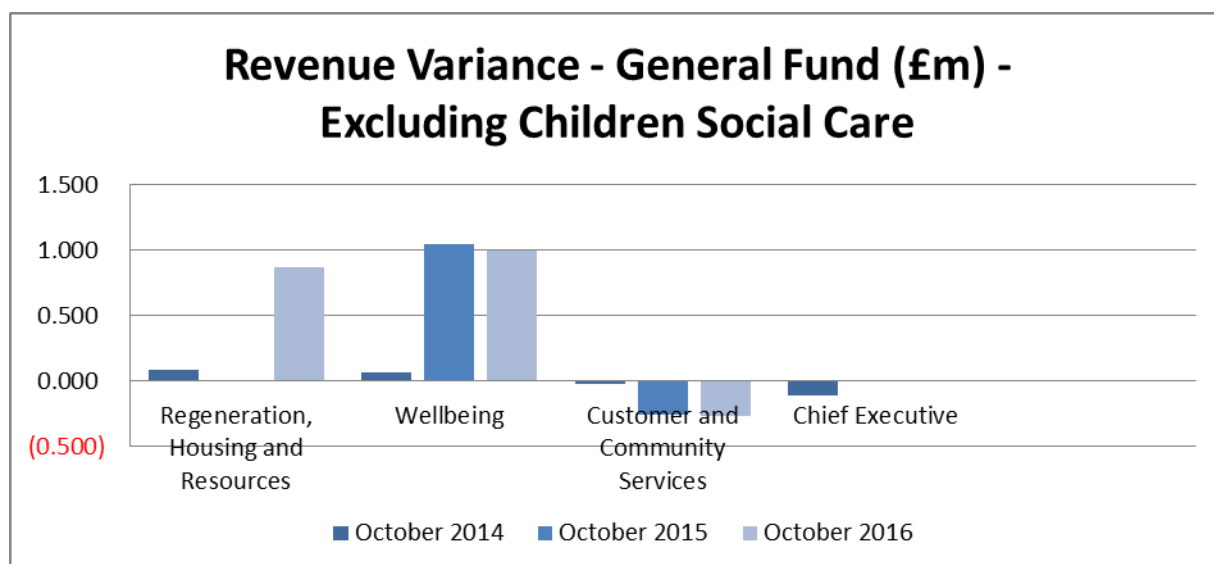


6.2.1 The chart shown above includes previous year overspends associated with Children Social Care that has since been transferred to Slough Children’s Services Trust. When these overspends are removed the overall forecasts for the past three years can be summarised as below.





6.2.2 The performance of the directorates for the past 3 years can also be summarised as below.



6.3 The Council is forecasting an over spend of £1.596m as at month 7. The quarter 2 budget monitor report was forecasting an over spend of £1.604m due mainly to increasing pressures on the Adult Social Care budget. There were increasing pressures on the domiciliary care budgets due to increasing levels of need for existing clients. This risk remains constant at £1m by year end although the Department is actively trying to contain the costs. The service is scrutinising all areas of expenditure such as agency costs and imposing spend restrictions where possible. Other areas within the directorate are explored to try to find under spends that will help to reduce the financial pressure. In addition the service is trying to maximise Better Care Fund (BCF) and Public Health grants.

6.4 Assets, Infrastructure and Regeneration is forecasting an over spend of £423k as at the end of month 7. The asset acquisitions programme is not as advanced as expected at this stage of the year therefore income generated as a result of purchasing fee earning assets is forecast to be lower than the budget. The service is actively pursuing new opportunities via the Council's Strategic Acquisition Fund to generate additional revenue income for the Council but they have not had an impact on the overall forecast to date. These over spends have been offset by total

savings of £330k elsewhere within the directorate and additional savings will be identified in following monitoring reports. An increase in building control and planning application fees will generate £187k additional receipts. In addition staff vacancies in the Transport service will contribute savings of £150k. Work is continuing within this directorate to minimise any potential over spends. The movements can be seen in the table below.

	£000s
<b>Overspends</b>	
Assets, Infrastructure and Regeneration – Asset Acquisition Income	760
<b>Savings</b>	
Assets, Infrastructure and Regeneration – Building Control/Planning Application Fees	(187)
Assets, Infrastructure and Regeneration – Transport vacancies	(150)
<b>TOTAL</b>	<b>423</b>

- 6.5 The RHR - Housing and Environment service is forecasting a total projected over spend of £442k in this service area. Work in the past month has reduced this overspend by £28k. £397k is due to homelessness pressures on temporary accommodation costs. There will be a reduction of £45k in the social services grant receivable and capital recharges recovered for the Disabled facilities grant

	£000s
<b>Housing and Environment Overspends</b>	
Temporary accommodation	397
Social Services Grant Receivable and Capital recharges	45
<b>TOTAL</b>	<b>442</b>

- 6.6 Within the Customer and Community Services directorate a saving of £269k has helped to offset over spends elsewhere in the Council. There are vacancies throughout the Learning and Community and Contracts, Commissioning and Procurement services and these are resulting in forecasted savings. These staffing savings have been partly offset however by additional agency costs within transactional services. This area has also received a reduction in the DWP administration grant received in the current year. The directorate can be summarised as follows.

	£000s
<b>Customer and Community Services</b>	
Learning and Community	(142)
Wellbeing and Community	(48)
Transactional Services	250
Contracts/Commissioning and Procurement	(329)
<b>TOTAL</b>	<b>(269)</b>

6.7 All services continue to work on their published action plans to ensure that all overspends and pressures are reduced. The current forecasted outturn can be seen in Appendix A.

## 7 Capital Expenditure

7.1 As mentioned above the Council expects to spend 70% of the total capital programme by the end of the 2016/17 financial year. The analysis of this spend as at month 7 is as follows.

	Revised 16-17 Budget	Actual October 2016	Projected Outturn	Slippage %
Directorate	£000s	£000s	£000s	£000s
Resources	34,860	13,636	19,995	43%
Education and Wellbeing	26,665	2,552	19,026	29%
Customer & Community Services	25,916	10,013	16,773	35%
Chief Executive	33	24	33	0%
Housing Revenue Account	14,333	6,788	12,070	16%
Affordable Housing	9,920	2,250	10,135	-2%
<b>Total</b>	<b>111,727</b>	<b>35,263</b>	<b>78,032</b>	<b>30%</b>

7.2 As part of the reconfiguration of the Capital Programme, and in order to assess the nature of the high level of slippage, a review of all capital projects are being carried out with service managers. Most of the capital projects have now been reviewed and the 5 year capital programme is currently being reprofiled and will be reported in full to cabinet at the January meeting.

## 8 Virements

8.1 There have only been 2 Virements during the current financial year to date and the were as follows

Directorate		Amount	Reason
From	To	£	
Regeneration, Housing and Resources	Wellbeing	16,300.00	Budget wrongly allocated to Corporate Landlord.
Customer and Community Services	Regeneration, Housing and Resources	54,534.00	Transfer of Change Control (SMP Reception) budget from Arvato back to SBC

## 9 Write Offs

9.1 A net total of £1.086m has been written off during the first seven months of 2016/17. The largest area of write offs total relates to NNDR debt (£0.657m). The overall total has been reduced as there have been some credit write backs. The write off across the council's services for the first 6 months, including the reason for write off, can be summarised as follows. The write offs below are requested for approval.

Reason	NNDR	Council Tax	Former Tenant Arrears	Housing Benefit	Total
	Value £	Value £	Value £	Value £	Value £
Unable to trace / Absconded	172,971.96	108,699.23	98,570.21	777.12	381,018.52
Vulnerable persons			97.97		97.97
Deceased		172,969.98	12,278.12	4,331.41	189,579.51
Statute Barred / Unable to Enforce		71,189.35	31,109.14	2,586.83	104,885.32
Bankruptcy				760.31	760.31
Dissolved / Proposal to Strike / Liquidation / Receivership / Administration	483,983.68				483,983.68
Misc. (incl uneconomical to pursue)	196,659.02	1,370.00	10,200.52	5,886.16	214,115.70
Credit Balances	-196,658.31	-91,551.11			-288,209.42
	<u>656,956.35</u>	<u>262,677.45</u>	<u>152,255.96</u>	<u>14,341.83</u>	<u>1,086,231.59</u>

## 10 Conclusion

10.1 The Council over spend is currently estimated to be £1.596m at year end. The Council is committed to delivering services on budget during 2016/17 and work is ongoing to reduce this forecasted financial position.

## 11 Appendices Attached

'A' - Summary revenue forecasts

## 12 Background Papers

'1' - Supporting working papers held in finance

Financial Year	2014/15	2015/16	2016/17
Directorate	Variance: Over / (Under) Spend	Variance: Over / (Under) Spend	Variance: Over / (Under) Spend
	£'M	£'M	£'M
<u>Wellbeing</u>			
Adult Social Care and Health Partnerships	31.051	32.051	1.000
Children, Young People and Families Services	29.253	29.253	0.000
Central Management	0.424	0.424	0.000
Public Health	(0.435)	(0.435)	0.000
<b>Total Wellbeing</b>	<b>60.294</b>	<b>61.294</b>	<b>1.000</b>
<b>Total Schools</b>	<b>(0.337)</b>	<b>(0.337)</b>	<b>0.000</b>
<b>Total Wellbeing and Schools</b>	<b>59.957</b>	<b>60.957</b>	<b>1.000</b>
<u>Customer and Community Services</u>			
Customer Services & IT	0.355	0.355	0.000
Learning & Community	2.596	2.454	(0.142)
Wellbeing & Community	3.052	3.004	(0.048)
Enforcement and Regulation	1.725	1.725	0.000
Strategic Management	0.407	0.407	0.000
Transactional Services	8.156	8.406	0.250
Contracts, Commissioning & Procurement	1.019	0.690	(0.329)
<b>Total Customer and Community Services</b>	<b>17.310</b>	<b>17.041</b>	<b>(0.269)</b>
<u>Regeneration, Housing and Resources</u>			
Strategic Management	0.160	0.160	0.000
Corporate Resources	0.006	0.006	0.000
Housing and Environment	14.419	14.861	0.442
Assets, Infrastructure and Regeneration	8.483	8.906	0.423
<b>Total Regeneration, Housing and Resources</b>	<b>23.068</b>	<b>23.933</b>	<b>0.865</b>
<u>Chief Executive</u>			
Chief Executive	0.342	0.342	0.000
Strategic Policy & Communication	2.222	2.222	0.000
Professional Services	1.281	1.281	0.000
<b>Total Chief Executive</b>	<b>3.845</b>	<b>3.845</b>	<b>0.000</b>
<b>Total Corporate</b>	<b>(0.445)</b>	<b>(0.445)</b>	<b>0.000</b>
<b>Total General Fund</b>	<b>103.734</b>	<b>105.330</b>	<b>1.596</b>
<b>% of revenue budget over/(under) spent in total</b>			<b>1.5%</b>

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 19<sup>th</sup> December 2016

**CONTACT OFFICERS:** Neil Wilcox, Assistant Director, Finance & Audit  
(01753) 875358

**WARDS:** All

**PORTFOLIO** Finance & Strategy – Cllr Munawar

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

**COUNCIL TAXBASES FOR 2017/18**

**1. PURPOSE OF THE REPORT**

- 1.1 This report presents information to Members on the properties in Slough and their categories of occupation for the purpose of determining the council taxbase for the borough for the 2017/18 financial year
- 1.2 The Council is required by law to set the council taxbase by 31st January prior to the start of the financial year.
- 1.3 The level of council Taxbase will be used in the calculation of Slough Borough Council's council tax for 2017/18.
- 1.4 This report requests estimates for Business Rates income used for setting the 2017/18 budget to be delegated to the s151 officer.

**2. RECOMMENDATIONS**

The Cabinet is requested to resolve:

- (a) That the level of council tax discount in respect of second homes remains at 0%.
- (b) That the level of discount in respect of long-term empty properties remains at 0%. With the charge of a 50% Empty Home Premium for on properties that have been empty longer than 2 years.
- (c) That the collection rate for the council tax for 2017/18 be set at 98.4%. This the same rate as for 2016/17.
- (d) In accordance with the Local Government Finance Act 2012 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012 the amount calculated by Slough Borough Council as its council taxbase for 2017/18 shall be:

i)	Parish of Britwell	840.7
ii)	Parish of Colnbrook with Poyle	1,866.4
iii)	Parish of Wexham	1,329.6
iv)	Slough Town	37,138.0
v)	<b>All areas</b>	<b>41,174.7</b>

- (e) That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet due to any changes in Government guidance around this subject and the Collection Fund figures for distribution.
- (f) That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet should any new property information become available and the Collection Fund figures for distribution require amendment.
- (g) That the S151 officer be delegated with responsibility to set the Business Rates baseline following consultation with the Commissioner responsible.

### 3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

#### 3a. **Five Year Plan**

This report directly supports both outcomes 2 (in respect of an increase in housing taxbase) and 7 (in respect of an increase in Council Tax Collection levels both in year and overall)

The report also underpins the Council's Medium Term Financial Strategy as it is showing a significant increase in the Council Tax base which is driving up the income from Council Tax overall.

### 4 **Other Implications**

#### (a) Financial

There is a significant financial implication to the Council by this report. The number of properties that are equivalent to Band D is a key number for the Revenue Budget for 2017/18 and the Medium Term Financial Strategy (MTFS) paper. The larger the number, the more Council Tax income the Council will receive (and the larger the likely collection fund position). This is the same for the number of Business Rates hereditaments.

#### (b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal		
Property		
Human Rights		
Health and Safety		
Employment Issues		
Equalities Issues		
Community Support		



Communications		
Community Safety		
Financial – taxbase does not grow as expected	Medium Term Financial Volatility Reserve can accommodate some drop in CTX or BRates for one year to allow for longer term planning to deal with the issue	If CTX or BRates are higher than forecast there will be a collection fund surplus and so benefit the 2017/18 financial position.
Timetable for delivery		
Project Capacity		
Other		

(c) Human Rights Act and Other Legal Implications

The scheme has not been changed and is being updated in line with inflation (and the constitution allows for fees and charges to rise with inflation + a %).

(d) Equalities Impact Assessment

There is no identified need for an EIA as this is a report based on the number of taxbase properties in the district.

## 5. SUPPORTING INFORMATION

### Council Tax Base

- 5.1 The various taxbases for 2017/18 proposed in this report have been calculated by reference to data available relating to dwellings within the borough provided by the Valuation Office Agency at 30th November 2016.
- 5.2 Over the last few years the Council's tax base has steadily increased from approximately 1% each year, to nearly 3% in the current year projection. Due to new properties being added to the valuation list; for 2016/17, this figure looks to be significantly higher at circa 3% though this will not be known until the 31<sup>st</sup> March 2017. An allowance for growth of 1.75% has been included in the 2017/18 tax base calculations, on top of the current Council Tax dwelling figures, as a result of a number of developments currently underway.
- 5.3 The calculation of the council's taxbase or 'T' can be expressed as the sum of 'Relevant Amounts' known as 'A' for each valuation band multiplied by the collection rate known as 'B'. In summary, 'Relevant Amounts' are to be calculated as the number of dwellings on the valuation lists supplied by the District Valuer adjusted for discounts, disabled persons reductions and anticipated changes to the valuation lists (e.g. successful valuation appeals) during 2017/18.
- 5.4 The Relevant Amounts for each property band in the Slough Area for 2017/18 are summarised as follows:

	<b>Bands</b>	<b>Britwell</b>	<b>Colnbrook with Poyle</b>	<b>Wexham Court</b>	<b>Balance of Slough</b>	<b>Total Slough</b>
<b>5/9</b>	<b>A*</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>	<b>0.6</b>
<b>6/9</b>	<b>A</b>	<b>0.6</b>	<b>13.6</b>	<b>10.5</b>	<b>707.3</b>	<b>732.0</b>
<b>7/9</b>	<b>B</b>	<b>72.1</b>	<b>172.0</b>	<b>114.7</b>	<b>4,861.3</b>	<b>5,220.1</b>
<b>8/9</b>	<b>C</b>	<b>651.5</b>	<b>914.0</b>	<b>297.8</b>	<b>14,742.7</b>	<b>16,606.0</b>
<b>9/9</b>	<b>D</b>	<b>110.8</b>	<b>575.5</b>	<b>849.6</b>	<b>9,771.0</b>	<b>11,306.9</b>
<b>11/9</b>	<b>E</b>	<b>5.1</b>	<b>166.8</b>	<b>57.3</b>	<b>4,856.9</b>	<b>5,086.1</b>
<b>13/9</b>	<b>F</b>	<b>12.6</b>	<b>37.2</b>	<b>8.9</b>	<b>2,288.1</b>	<b>2,346.8</b>
<b>15/9</b>	<b>G</b>	<b>1.7</b>	<b>17.6</b>	<b>12.4</b>	<b>505.8</b>	<b>537.5</b>
<b>18/9</b>	<b>H</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.2</b>	<b>8.2</b>
	<b>Aggregate of Relevant Amounts</b>	<b>854.4</b>	<b>1,896.7</b>	<b>1,351.2</b>	<b>37,741.9</b>	<b>41,844.2</b>

\* Disabled person's reductions

- 5.5 The aggregate of 'Relevant Amounts' expressed as a Band D equivalent is calculated as **41,844.2**. This figure is based on 100% collection rate in 2017/18.
- 5.6 For 2017/18 Cabinet will be requested to approve the current collection rate of 98.4%.
- 5.7 With a 98.4% collection rate, the statutory calculation of the 2017/18 council taxbase 'T' will be as follows:

Aggregate of Relevant Amounts or 'A' (i.e. **41,844.2**) x Collection Rate or 'B' (i.e. **98.4%**) = council taxbase 'T' (i.e. **41,174.7**).

### Change in Taxbase 2016/17 to 2017/18

- 5.8 The table below sets out the change in the Council's taxbase between 2016/17 and 2017/18:

	<b>2016/17</b>	<b>2017/18</b>	<b>Change from 2016/17</b>	
	<b>No's</b>	<b>No's</b>	<b>No's</b>	<b>%</b>
Slough Borough Aggregate of Relevant Amount	40,652.5	41,844.2	1,191.7	2.9%
Taxbase after allowing for assumed collection rate	40,001.8	41,174.7	1,172.9	2.9%

- 5.9 Members will note that the taxbase for all areas has increased by 2.9% from 2016/17, equivalent to a net increase of 1,172.9 properties.

## **Business Rates 2017/18**

- 5.10 In accordance with the Local Government Finance Act 2012 the Council is required, by 31 January, to have estimated and informed the Royal Berkshire Fire & Rescue Service and DCLG of the estimated collectable business rates to be used for setting the budget and ultimately the council tax for 2017/18. This is completed by returning a form to DCLG known as NNDR1. The Council has yet to receive the finalised NNDR1 return and so is unlikely to be able to inform members of the estimated business rates in a reasonable timescale.
- 5.11 It is therefore proposed that the decision to review and certify the NNDR1 return, and finalise the figure for the estimate retained business rates used for the 2017/18 revenue budget be delegated to the s151 officer following consultation with the commissioner responsible for finance.

## **Collection Fund position in 2016/17**

- 5.12 At present the Council is forecasting a Collection Fund deficit of £0.3m; with £0m from Business Rates and £0.3m from Council Tax. This figure will be revised for the budget setting period.

## **6. CONCLUSION**

- 6.1 It is recommended that:
- 6.2 The Cabinet approve the amount calculated as Slough Borough Council's taxbase for the parishes and non parish areas for 2017/18 as follows:

i) Parish of Britwell	840.7
ii) Parish of Colnbrook with Poyle	1,866.4
iii) Parish of Wexham	1,329.6
iv) Slough Town	37,138.0
<b>v) All areas</b>	<b>41,174.7</b>

- 6.3 The S151 officer be delegated with responsibility to adjust the taxbase following Cabinet due to any changes in Government guidance around this subject.
- 6.4 That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet should any new property information become available and the Collection Fund figures for distribution.
- 6.5 The S151 officer be delegated with responsibility to approve the Business Rates income for 2017/18 via the NNDR1 form following consultation with the Commissioner responsible.

## **7 BACKGROUND PAPERS**

- '1' - CTB1 Form (October 2016)
- '2' - Local Government Finance Act 2012
- '3' - the Local Authorities (Calculation of Council Tax Base) Regulations 2012
- '4' - Detailed working papers held in Finance and Council Tax Sections

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 19<sup>th</sup> December 2016

**CONTACT OFFICER:** Neil Wilcox; AD Finance & Audit  
(For all enquiries) (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Councillor Munawar; Commissioner for Finance & Strategy

**PART I**  
**KEY DECISION****COUNCIL TAX SUPPORT SCHEME 2017-18****1 Purpose of Report**

The Council must have a Council Tax Support scheme in place each year, this must be approved annually by the 31<sup>st</sup> January preceding the start of the scheme. This report and appendix is the Council's scheme for 2017-18. The main items within the scheme are not recommended to change from the previous scheme.

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

The Cabinet is requested to resolve to continue with Council Tax Support Scheme adopted by Slough Borough Council for the 2016-17 financial year and uprate the relevant premiums, applicable amounts, non dependant deductions and to reflect the changes in the housing benefits regulations as defined in the scheme in line with the statement from the Department of Work and Pensions (DWP)

The Cabinet is requested to resolve the Council Tax Support scheme as detailed in appendix A be approved.

**3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan****3a. Slough Joint Wellbeing Strategy Priorities**

This does not support a specific outcome, as this is a statutory requirement to have a scheme in place

**3b Five Year Plan Outcomes**

This does not support a specific outcome, as this is a statutory requirement to have a scheme in place.

**4 Other Implications****(a) Financial**

This report should be cost neutral compared to the current Council Tax Support scheme. The uprating of the scheme with inflation (or the amount determined by the Minister of State for Pensions) should be broadly cost neutral as other benefits and

income assessments are changed, therefore there are no direct financial implications of this paper;

This is based on the assumption that the number of applicants will remain similar to 2016-17, however, if the number of claimants of Council Tax Support increases there will be a financial pressure, and if the levels fall, there will be a financial benefit to the Council compared to the current level of claimants.

(b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	The scheme was reviewed by an external barrister before approval in 2016 and his comments have already been included in the scheme. The scheme proposed is the same scheme that was in operation in 2016-17.	
Property	none	
Human Rights	See EIA	
Health and Safety	None	
Employment Issues	Local employment levels will impact on the scheme as a risk and opportunity. The less people receiving CTX Support will mean the lower the cost of the scheme	
Equalities Issues	See EIA	
Community Support	None	
Communications	Consultation was completed in December 2015 on the scheme in operation for 2016-17 as it is proposed to continue with the same scheme there is no legal obligation to consult further.	
Community Safety	None	
Financial	Income and applicable amounts to be uprated in line with DWP rates.  An increase in CTS cases will be a financial pressure on the collection fund	A decrease in CTS claimants will be a financial benefit to the Council through reduced payments
Timetable for delivery	None	
Project Capacity	None	
Other		

(c) Human Rights Act and Other Legal Implications

The scheme has not been changed and is being uprated in line with inflation / the amount determined by the Department of Works and Pensions (DWP) (and the constitution allows for fees and charges to rise with inflation + a %).

(d) Equalities Impact Assessment

See appendix B – EIA completed

**5 Supporting Information**

- 5.1 The Council Tax Support scheme was introduced in April 2013. At this time the government changed it from a national scheme for all Customers to a local scheme for working age customers. The national scheme remained for all non working age customers.
- 5.2 Slough Borough Council in line with the legislation consulted on the proposed scheme in September to November 2012 and a Local Council Tax Support scheme was approved by members on 10<sup>th</sup> December 2012.
- 5.3 The legislation demands that the Local Council Tax Support scheme is approved by members each year before 31<sup>st</sup> January of the financial year preceding the start of the scheme.
- 5.4 If the scheme is going to change then a full consultation must be carried out with the chargepayers prior to a decision being made, unless the change is for uprating purposes only.
- 5.5 SBC did not make any changes (apart from uprating) to the scheme for 2014-15 or 2015-16, which means the same scheme was operating for three years.
- 5.6 SBC did completely review the scheme for the 2016-17 financial year and carried out a full consultation the changes to the scheme took into account the changes to welfare benefits that impacted on the scheme and following consultation the scheme was devised and approved by members on 18<sup>th</sup> January 2016.
- 5.7 It is proposed that the current scheme which has only been in operation for 1 year is maintained with the calculation amounts, premium, applicable amounts etc being uprated in line with the direction from the Department of Work and Pensions, if applicable.
- 5.8 The Department of work and Pensions stated in 2015 that there would be no uprating for working age customers, and it is expected that no changes will be made.
- 5.9 The scheme also states that it will reflect any welfare benefits changes that come into operation in the course of the scheme.
- 5.10 The Autumn statement from the Chancellor on 23<sup>rd</sup> November 2016, did not have any implications for the scheme.

## **Council Tax Support scheme 2017-18**

- 5.10 The Council Tax Support scheme for 2017-18 is included in appendix A.
- 5.11 The Council Tax support scheme is based on the national legislation for non working age applicants and the current scheme which is based on the consultation process carried out in October, November and December 2015.
- 5.12 The intention was that the scheme for 2017-18 would cost no more than 2016-17 but that SBC would not look to make savings as the impact on Council Tax collection would potentially negate any savings

### **Council Tax Support Legislation**

- 5.13 The Council Tax Support legislation set a number of criteria that local authorities must adhere to in developing a scheme

- **Local authorities should also ensure support for vulnerable groups;**

Slough Borough Council defined vulnerable groups as those who had a member of their household receiving a disability premium and protected all of these households, meaning that they are still entitled to be assessed with a maximum Council Tax Support of 100%

SBC also continued to protect those in receipt of War Widows and War Disablement Benefit

- **Local schemes should support work incentives, and in particular avoid disincentives to move into work.**

The current scheme ensures that SBC support people into work by providing a "run on" (where we continue to pay benefit at the same rate for four weeks after they start work) of their benefits when they first start work.

## **6 Comments of Other Committees**

This report has not been considered by any other committees.

## **7 Conclusion**

For members to approve that the current Council Tax Support scheme is maintained for 2017-18 and to uprate the relevant premiums, applicable amounts, non dependant deductions etc in line with the statement from the Minister of Pensions.

## **8 Appendices Attached**

- 'A' - Council Tax Support scheme 2017-18 (in separate Appendix Pack)
- 'B' - Equality Impact Assessment

## **9 Background Papers**

- '1' - Council Tax Support scheme 2016-17
- '2' - Council Tax Support legislation



# Equality Impact Assessment

<b>Directorate: RHR</b>	
<b>Service: Finance &amp; Audit</b>	
<b>Name of Officer/s completing assessment: Jackie Adams</b>	
<b>Date of Assessment: 10.11.2016</b>	
<b>Name of service/function or policy being assessed: Council Tax Support Scheme 2017-18</b>	
1.	<p>What are the aims, objectives, outcomes, purpose of the policy, service change, function that you are assessing?</p> <p>The <u>changes</u> to the local Council Tax Support scheme 2017-18</p> <p>The local Council Tax Support scheme only affects customers of working age, customers of pension age are assessed under the national regulations.</p> <p>The legislation requires that all Local Authorities must approve a Council Tax Support scheme by 31<sup>st</sup> January proceeding the financial year that the scheme relates to.</p> <p>Members are being asked to approve the scheme agreed in 2016-17 with the uprating applicable amounts, premiums etc that are announced by the Department of Work and Pensions for 2017-18 incorporated into the scheme.</p> <p>The changes made for 2017-18 include the announcements made by the Chancellor in the Autumn 2016 statement as well as the welfare reforms already announced.</p>
2.	<p>Who implements or delivers the policy, service or function? State if this is undertaken by more than one team, service, and department including any external partners.</p> <p>The policy is delivered in the first instance by our partner arvato, whose role it is to accept all applications, analysis them, request such supporting information as they see fit and assess how much local council tax support a person will be entitled to within the bounds of the</p>

	<p>scheme. If the Customer disagrees with the assessment they have the right to ask arvato as our partner to review their decision and if the decision stands the Customer has a right to appeal to an independent panel managed and set up by the Valuation Office Agency (VOA)</p>
3.	<p>Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. Please consider all of the Protected Characteristics listed (more information is available in the background information). Bear in mind that people affected by the proposals may well have more than one protected characteristic.</p> <p>All working age Council Tax Payers could potentially be affected by this proposal as they could all potentially claim Council Tax Support.</p> <ul style="list-style-type: none"> <li>o Age – the Government legislation has stated that those of pension age will be protected and their assessment for Council Tax Support will continue to be made under the national regulations and not under the local Council Tax Support scheme therefore they will not be affected by this policy.</li> <li>o Disability – the government legislation states that those that are considered by the local Authority to be vulnerable should be protected but no definition of vulnerable is provided. We have decided to protect all families where the householder and /or their partner receives a level of disability allowance or that one or more children in the household receives a level of disability allowance. This means that there will be no change to the support that they receive to assist them paying their council tax.</li> </ul> <p>The following have not been prescribed under the regulations to be protected and therefore the changes will directly affect the following</p> <ul style="list-style-type: none"> <li>o Gender Reassignment</li> <li>o Marriage and Civil Partnership</li> <li>o Pregnancy and maternity</li> <li>o Race</li> <li>o Religion and Belief</li> <li>o Sex</li> <li>o Sexual orientation</li> <li>o Other</li> </ul> <p>In addition, those leaving care will have their Council Tax Support protected until they are 22 years of age .</p> <p>A Hardship fund has been developed to assist those who are experiencing financial difficulty because of the change.</p>

4.	<p>What are any likely positive impacts for the group/s identified in (3) above? You may wish to refer to the Equalities Duties detailed in the background information.</p> <p>All Pensioners and all households who have a member of the household in receipt of a disability premium/allowance as well as those applicants leaving care are identified within the protected groups and this will ensure that they can claim up to 100% Council Tax Support.</p>
5.	<p>What are the likely negative impacts for the group/s identified in (3) above? If so then are any particular groups affected more than others and why?</p> <p>There are no likely negative impacts, the Chancellors Autumn statement on 23<sup>rd</sup> November 2016 did not have any effect on the scheme and ministers announced in 2015 that there would be no upratings for working age customers for four years, therefore there are no impacts.</p> <p>The uprating statement from the Department of Works and Pensions has not yet been released and the scheme allows for these to be taken into account, however it is expected that the uprating statement will only affect Pensioners as per the statement in 2015.</p>
6.	<p>Have the impacts identified in (4) and (5) above been assessed using up to date and reliable evidence and data? Please state evidence sources and conclusions drawn (e.g. survey results, customer complaints, monitoring data etc).</p> <p>The changes to the scheme for 2016-17 mirrored that of the Housing Benefits and national Council Tax Support scheme, this will include the fact that premiums and applicable amounts will be frozen for the next 4 years. This will mean that various income assessments will not necessarily increase with inflation. The intention of this is to keep the level of Council Tax Support received by claimants to a comparatively similar level to the previous scheme.</p>
7.	<p>Have you engaged or consulted with any identified groups or individuals if necessary and what were the results, e.g. have the staff forums/unions/ community groups been involved?</p> <p>A full consultation was carried out with all members of the public via the Budget simulator on the Council's website between the end of October 2015 and the beginning of December 2015</p>

	<p>We also publicised the consultation to local groups who support the residents of the borough as well as businesses who may work with residents.</p> <p>176 Responses were received to the specific consultation questions on Council Tax Support – a large increase from the 14 responses received the last time a consultation took place on the scheme</p> <p>40% of the respondents supported the proposed scheme which included changes to bring the scheme in line with</p> <p>13% supported the current scheme which would have cost additional monies and would have had to be funded from a reducing in other services</p> <p>10% supported protecting all customers and reducing services in other area's of the council to do this</p> <p>16% supported the current scheme but instead of reducing services in other area's to use reserves to fund the scheme</p>
8.	<p>Have you considered the impact the policy might have on local community relations?</p> <p>n/a</p>
9.	<p>What plans do you have in place, or are developing, that will mitigate any likely identified negative impacts? For example what plans, if any, will be put in place to reduce the impact?</p> <p>The Council has a hardship policy in place to support those in financial hardship</p>
10.	<p>What plans do you have in place to monitor the impact of the proposals once they have been implemented? (The full impact of the decision may only be known after the proposals have been implemented). Please see action plan below.</p> <p>Once the proposals are accepted they must stay in place for one year, the authority must then review the scheme and obtain member agreement for the scheme for the following year, during each year the scheme is evaluated and then has the option to review and amend the scheme, during this year we will continue to monitoring the impact of the scheme on our customers.</p>

<b>What course of action does this EIA suggest you take? More than one of the following may apply</b>	✓
<b>Outcome 1: No major change required.</b> The EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken	<b>X</b>
<b>Outcome 2: Adjust the policy</b> to remove barriers identified by the EIA or better promote equality. Are you satisfied that the proposed adjustments will remove the barriers identified? (Complete action plan).	
<b>Outcome 3: Continue the policy</b> despite potential for adverse impact or missed opportunities to promote equality identified. You will need to ensure that the EIA clearly sets out the justifications for continuing with it. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact (see questions below). (Complete action plan).	
<b>Outcome 4: Stop and rethink</b> the policy when the EIA shows actual or potential unlawful discrimination. (Complete action plan).	

### Action Plan and Timetable for Implementation

At this stage a timetabled Action Plan should be developed to address any concerns/issues related to equality in the existing or proposed policy/service or function. This plan will need to be integrated into the appropriate Service/Business Plan.

Action	Target Groups	Lead Responsibility	Outcomes/Success Criteria	Monitoring & Evaluation	Target Date	Progress to Date

Name:

Signed: .....Jackie Adams .....(Person completing the EIA)

Name: .....Neil Wilcox.....

Signed: .....( Policy Lead if not same as above)

Date: 30.11.2016

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 19 December 2016

**CONTACT OFFICER:** Neil Wilcox - Assistant Director: Finance & Audit (Section 151)  
(For all enquiries) 01753 875358

**WARD(S):** All

**PORTFOLIO:** Cllr Munawar: Leader and Commissioner for Finance and Strategy

**PART I**  
**KEY DECISION****2017/18 GENERAL REVENUE BUDGET – TRANCHE 1 SAVINGS PROPOSALS****1 Purpose of Report**

To recommend future savings proposals to be agreed by Council as part of the 2017/18 Revenue Budget process, in February 2017.

**2 Recommendations**

The Cabinet is requested to resolve that:

- (a) The savings previously considered by Cabinet in November 2015, set out in Appendix A, be approved and included in the Revenue Budget 2017/18 to be approved by Council in February.
- (b) The savings listed in Appendix B be approved and included in the Revenue Budget 2017/18 to be approved by Council in February .

**3 Five Year Plan Outcomes**

This report helps achieve all of the outcomes by forming part of the overall financial strategy to support the delivery of the five year plan.

**4 Other Implications****(a) Financial**

The whole report deals with financial issues.

**(b) Risk Management**

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	N/A	
Property		
Human Rights	N/A	
Health and Safety		

Employment Issues	To be determined through savings proposals	
Equalities Issues	EIA's will be completed before Council decisions in February 2017.	
Community Support		
Communications		Utilisation of the Budget Simulator to obtain residents' views and meetings between Finance Officers and local business groups.
Community Safety		
Financial	The overall savings requirement is based on the Medium Term Financial Strategy and the anticipated levels of future government funding. The government funding will continue to be closely monitored.	If the government provides additional funding for local authorities as part of the local government finance settlement 2017/18 the need to find savings reduces.
Timetable for delivery		Approval at this meeting will allow Service Areas more time to prepare for implementation to ensure full savings are capable of being achieved in 2017/18.
Project Capacity	Significant programmes of work are included to deliver the savings. The savings have been put forward by officers as their professional judgment indicates they are achievable and capable of implementation for 2017/18	
Other		

(c) Legal Implications

It is the responsibility of the Council's Chief Financial Officer, as defined by Section 151 of the Local Government Act 1972, to advise the council on the setting of a balanced revenue budget. The savings identified in this paper are recommended for approval as part of the achievement of that objective. Where the council does not set or deliver a balanced budget the Chief Financial Officer have powers as defined by Section 114 of the Act to ensure that the council takes action to produce a balanced budget.

(d) Equalities Impact Assessment

Individual savings items will have an EIA completed, where appropriate, in time for the final Council decision on 23 February 2017.



- (e) Workforce  
There will be workforce implications but these will be finalised within the final budget proposals to be agreed at Council on 23 February 2017.
- (f) Property  
Where appropriate, the proposals link with the Council's Strategic Asset Purchase Strategy, Slough Urban Renewal and the Council's Asset Challenge Process.

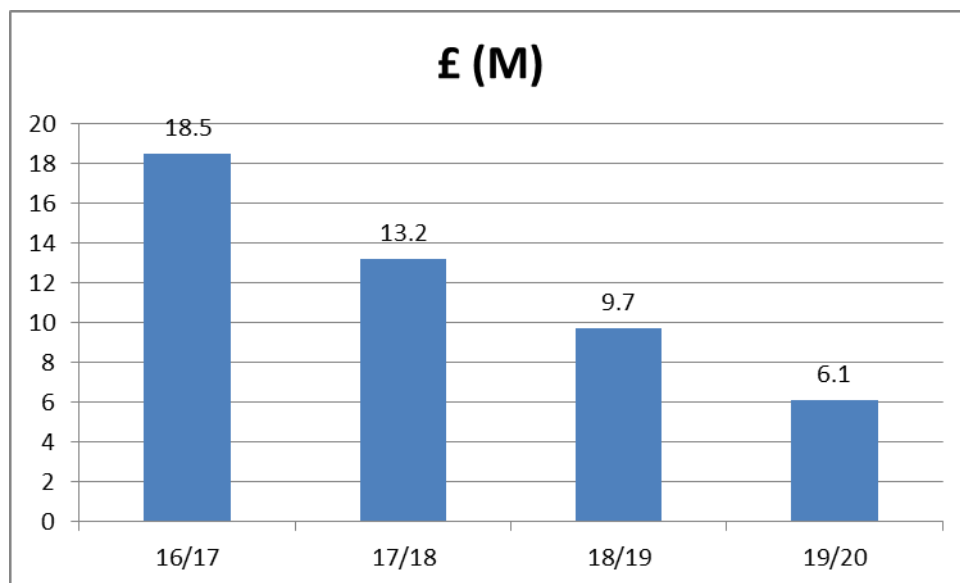
## 5 Supporting Information

### **History**

Slough Borough Council, alongside all other local authorities, is being affected by severe financial constraints. Under the UK government's deficit reduction programme – intended to reduce the UK government's budget deficit – national funding for local government has significantly decreased. The local impact of these decisions has resulted in a 66.8% decrease in the amount of central government revenue support grant funding Slough Borough Council has received from £39.8m in 2013/14 to £13.2m in 2017/18.

In October 2016, the Council signed-up to the government's 'Efficiency Plan 2016-2020' whereby the Council agreed to the government's offer of minimum guaranteed funding levels (for the period 2016/17 to 2019/20) whilst also accepting that these funding levels will be significantly reduced - see Figure 1, below.

Figure 1 – Revenue Support Grant to Slough Borough Council



### **Current Year Position**

For the current year (2016/17) the general Revenue Budget was set at £103.7m with an associated Council Tax, at Band D – the usual comparator, of £1,217.21 (a 3.75% increase on 2015/16).

The latest in-year budget monitoring report is showing a current overspend of £1.6m the majority of which relates to Adult Social Care. Service areas are working hard to contain any overspends before the financial year-end. Cabinet receives a monitoring

report every month for consideration and to ensure it is kept informed of officers' response to tackling any overspends.

### 2017/18 Budget Challenge

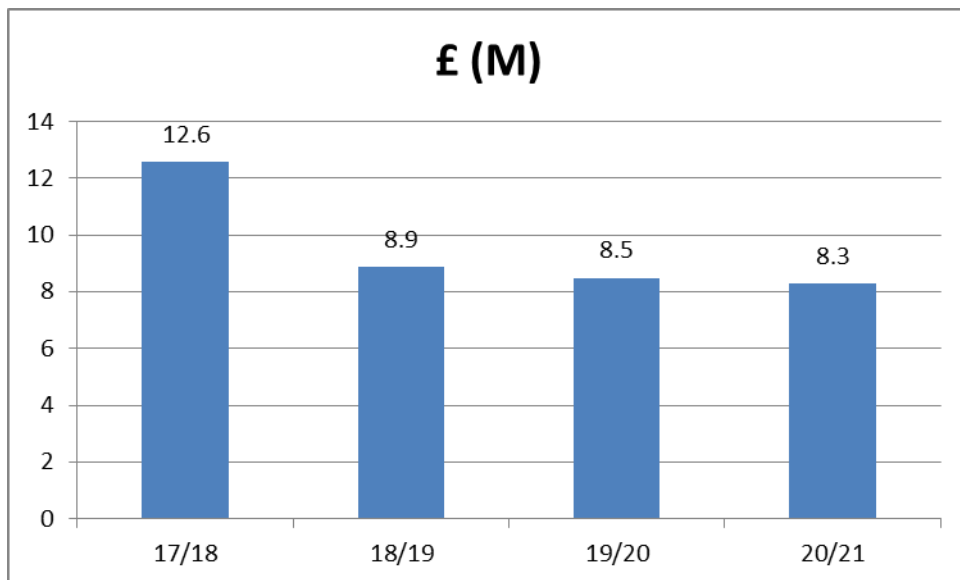
The main element driving the Council's future revenue budget going forward is the continual reduction in its Revenue Support Grant (RSG). The implications of this RSG reduction were reported to members in the Medium Term Financial Strategy report considered on 18 July 2016. Figure 2, below, shows the savings gap that was reported to that meeting, assuming a 3.75% increase in Council Tax (at Band D).

The local government provisional finance settlement 2017/18 is expected to be published before 23 December 2016. Although the minimum level of revenue support grant the Council will receive for 2017/18 has been 'guaranteed' at £13.180m, there are a number of particular issues that may be addressed in the publication, including:

- The continuing operation of the New Homes Bonus;
- Whether the government will provide any new revenue sources to address the national Adult Social Care funding concerns;
- The amount of Education Support grant to be paid to local authorities to cover the period April 2017 to August 2017.

A verbal update will be provided to Cabinet if the provisional settlement has been announced in advance of the December meeting. The Medium Term Financial Strategy will be updated, to take account of the provisional settlement, for the Cabinet meeting in January 2017.

Figure 2 – Medium Term Financial Strategy Four Year Savings Targets



The remainder of this report deals with savings proposals currently put forward by officers to address the anticipated £12.6m shortfall in 2017/18 and beyond. If all of the savings proposals contained within this report are agreed the estimated budget shortfall would reduce to £4.1m

Further savings proposals are currently being developed by officers. These will be submitted for approval at the January 2017 Cabinet meeting.

### **Work undertaken to date and issues for decision**

During the Revenue Budget 2016/17 process, a number of savings were identified that could be implemented in 2017/18, as reported at the November 2015 Cabinet meeting. These savings have now been reviewed again, as part of the 2017/18 Revenue Budget process, and those that are still relevant are included as Appendix A of this report with the recommendation that Cabinet approve that they be included in the Revenue Budget 2017/18.

Further, additional savings proposals have been identified by officers that could be implemented for 2017/18. These are shown at Appendix B. Cabinet is recommended to approve that they be included in the Revenue Budget 2017/18.

### **6 Conclusion**

The result of the work to date is that, if Cabinet approves the savings proposals submitted to this meeting, the forecast budget shortfall of £12.6m will be reduced by £8.5m to £4.1m. This estimated shortfall will need to be addressed before the Full Council meets to agree the Revenue Budget 2017/18 on 23 February 2017.

### **7 Appendices Attached**

- A List of savings previously considered by Cabinet in November 2015 for approval at this Cabinet meeting.
- B List of new savings for approval at this Cabinet meeting.

### **8 Background Papers**

- '1' 2016/17 Full Council Budget papers

Slough Borough Council

Appendix A

Savings Previously Considered by Cabinet in November 2015

Cabinet: 19th December 2016

2017 - 2021

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Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000		
46	7	RHR	Finance & Audit	NW	5				<b>Increased recharges to the Slough Urban Renewal:</b> Requesting the SUR Board to pay more for SBC's costs in respect of providing accountancy services. With Further schemes coming on board this is justifiable.	N
47	7	RHR	Assets, Infrastructure and Regeneration	SG	1,239	2,125	2,292	0	One-off profit from Slough Urban Renewal schemes	N
50	7	RHR	Finance & Audit	NW	165	175	0	0	<b>Mortgage Deposit Scheme:</b> Whereby the Council puts deposits on mortgages for residents of 30% and receives a rental return on this investment. The Council will also receive the capital appreciation.	N
54	None	RHR	Facilities	CD	10	10	10	0	Additional income from the maximisation of the use of office space.	N
55	None	RHR	Facilities	CD	5	5	5	0	FM Contracts Review	N
70	None	CCS	Learning and Community Services	PW	104				Reduction in overhead costs following the library service being brought "in house".	N
Total Savings					<b>1,528</b>	<b>2,315</b>	<b>2,307</b>	<b>0</b>		

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
4	1	CCS	Learning and Community Services	PW	11				Expansion of Apprenticeship Scheme attracting additional SFA funding.	N
5	1	CCS	Learning and Community Services	PW	10				Adult learning and skills - reduction in data and performance information	Y
8	1	CCS	Public Protection	GdH	5				Cost Recovery of Regulatory Advice with extension of Primary Authority partnerships(PA)	N
10	2	RHR	Housing and Environment	PT	50				Temporary Accommodation - Aim to reduce staffing costs by transferring some of these to the subsidiary housing company	N
11	2	RHR	Housing and Environment	PT	114				Home improvements- Income generation from fees	N
12	2	RHR	Housing and Environment	PT	100				Savings from sourcing temporary accommodation through the activity of the subsidiary housing company.	N
13	2	RHR	Housing and Environment	PT	6				Home Improvements and Strategic Housing - Capitalisation	N
18	4	CCS	Public Protection	GdH	10				Additional income generation from the switch of alarm monitoring of Corporate Landlord property alarms to CCTV Control Centre and other services	N
19	4	CCS	Public Protection	GdH	30				Domestic Abuse Contract re -commissioning and review of DA service delivery	Y

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000		
29	5	CCS	Learning and Community Services	PW	3				Cease membership of Education Library Service (membership paid under Cambridge contract). Service Development Manager currently sits on the Board.	Y
30	5	CCS	Learning and Community Services	PW	12	9	4	0	Phased reduction in support to a series of activities that include summer and half term activities for all ages in targeted neighbourhoods delivered through a number of community centres.	Y
32	5	Wellbeing	Public Health	AS	156				Review and reduction of Public Health Contracts	N
37	6	Wellbeing	Adult Social Care	SB	44				Use of Telecare and Equipment to reduce Personal Budget Levels	N
39	6	Wellbeing	Adult Social Care	SB	200				Continuing Health Care (transfer of funding responsibility from NHS)	N
40	6	Wellbeing	Adult Social Care	SB	220				Re-assessments to reduce Personal Budget levels	N
41	6	Wellbeing	Adult Social Care	SB	250				Housing related support review	N
42	6	Wellbeing	Adult Social Care	SB	150				Voluntary sector strategy planned funding reduction	N
43	6	Wellbeing	Adult Social Care	SB	300				Adult Social Care Restructure	Y

Slough Borough Council

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Appendix B (Cont.)

Ref	Outcome	Directorate	Service	Service Lead	17/18	18/19	19/20	20/21	Savings Item	Possible Staffing Impact
					£'000	£'000	£'000	£'000		
44	6	CCS	Public Protection	GdH	10				Increase in income	N
49	7	RHR	Finance & Audit	NW	50	50	50	0	Increased treasury mngt. Returns & repayment of £4m loan in 2016-17.	N
52	7	CCS	Planning and Building Control	SD	11	11	11	0	Reduction in subsidy through additional income from pre-application and increased planning application numbers off the back of the local plan review/growth agenda.	N
53	7	CCS	Planning and Building Control	SD	4	4	0	0	Savings from reducing specialist consultancy support by training existing staff to undertake both petroleum licensing and environmental permitting.	N
59	None	CCS	Public Protection	GDH	5				TRADING STANDARDS - Partnership with approved trader scheme	N
65	None	CCS	Planning and Building Control	SD	3	2	3		Re-negotiate landfill monitoring contract and reduce scope to statutory minimum for Kennedy Park.	N
74	1	RHR	Transport and Highways	SdC	524				Capitalisation of Highway Maintenance from D412 and D458	N
75	1	RHR	Transport and Highways	SdC	150				Replacement of council fleet and hire vehicles through capital investment (invest to save) resulting in reduced maintenance and reduced hire costs. Increase in charges for Community Transport hire charges for third party's as part of income generation.	N
76	1 & 3	RHR	Transport and Highways	SdC	250				Reduction in Revenue budget as a result of new street lighting contract including further energy savings, reduction in scouting and reduction in cleaning of lanterns.	N

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000		
77	1 & 3	RHR	Transport and Highways	SdC	100				Reduction in management costs for the current professional services contract.	N
78		CCS	Wellbeing & Community Services	KG	50				Community & Skills restructure 2015/16 – removal of service transition budgets	N
79		CE	Professional Services	SN	50				Reduction in budget lines across HR service area.	Y
80		Corporate	Below the Line	NW	3,300	-3,300			2017/18 SUR: One off profit dividend Re: Wexham Nursery	N
81		Corporate	Below the Line	NW	150	-150			2017/18 SUR: One off profit dividend Re: Alpha Street	N
82		Corporate	Below the Line	NW	550	-550			2017/18 SUR: One off profit dividend Re: Upton Road	N
83		Wellbeing	Adult Social Care	AS	100				Mental Health reviews to reduce Personal Budgets levels	N
84		Wellbeing	Adult Social Care	AS	30				Fees and charges increase for client contributions	N
Total Savings					<b>7,008</b>	<b>-3,924</b>	<b>68</b>	<b>0</b>		



-  
**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 19 December 2016

**CONTACT OFFICERS:** Mike England; Strategic Director Regeneration, Housing & Resources (01753 - 875301)  
 Stephen Gibson; Head of Asset Management (01753 - 875852)

**WARD(S):** All

**PORTFOLIO:** Housing & Urban Renewal - Cllr Ajaib  
 Leader of Council - Cllr Munawar

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

**PROPOSAL TO ESTABLISH HOUSING COMPANY GROUP STRUCTURE**

**1 Purpose of Report**

- 1.1 At its meeting held on 5 September 2016, Cabinet approved proposals for officers to build a business case and structure for two subsidiary housing companies. In approving the report, Cabinet noted that the over-riding objectives were to improve choice, increase quality, drive up standards and meet varying forms of need and demand. At the same time, the companies were envisaged to generate an independent income stream that would improve the financial resilience of the Council by maximising the long-term value of assets beyond the financial benefits already being realised via disposal of assets to Slough Urban Renewal.
- 1.2 By simultaneously launching two companies, the Council will provide an innovative and tailored approach that will realise several outputs and outcomes associated with the Five Year Plan and make a material contribution to positively affecting the local housing market. Whilst **Herschel Homes (“HH”)** will focus on providing mainly new build properties for open market rent, **Slough Homes** (this name is only being used for the purpose of this report and will be subject to change) will serve a wider social purpose and will focus on providing affordable homes to a wider range of people than those who have traditionally been council or housing association tenants and will assist the Council to more easily discharge its responsibilities to homeless residents and others and in containing or reducing the instances and cost of expensive temporary accommodation such as Bed and Breakfast hotels. Slough Homes will also secure accommodation for specialist purposes such as providing accommodation for Key Workers and housing for care leavers.
- 1.3 The proposals for the companies also further the objectives of the draft Housing Strategy approved by Cabinet in November 2016. They will;
- Improve conditions in the private rented sector;
  - Provide more and better accommodation for homeless households;
  - Provide more affordable accommodation;
  - Improve the range of accommodation for groups such as care leavers and key workers;

- Act as an exemplar of good practice in the management of private rented accommodation.

Investment in the companies will also serve as a clear demonstration of the Council's confidence in the future of Slough as a place to work, rest, play and stay.

- 1.4 The business plans developed by external consultants demonstrate that the companies will (between them) acquire over 500 new build and existing properties over the first five years of trading and will create material financial benefits.
- 1.5 The purpose of this report is to seek approval to incorporate or acquire companies to effect these desired outcomes, to agree the governance processes for the companies set out in Section 5 and agree initial levels of capital expenditure to be incurred to secure allotment of shares in, and make loan advances (secured on property) to the companies.

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

The Cabinet is requested to resolve (a) to (d) and (f) to (k) and to recommended (e) to full Council:

- (a) That the business plan for Herschel Homes, set out in Appendix One, which seeks to establish a company that will acquire, manage and lease new build properties for full market rent be approved.
- (b) That the business plan for Slough Homes be approved, as set out in Appendix Two, which seeks to establish a company that will aim to acquire, manage and lease existing properties in a manner that will provide an offering of homes for people facing particular difficulties in accessing suitable accommodation, possibly through cross-subsidy provided from homes let at market rents.
- (c) That it be noted that both Herschel Homes and Slough Homes will be companies that are limited by shares with the Council being the sole shareholder.
- (d) That the Head of Legal Services, following consultation with the Commissioner for Housing & Urban Renewal and Leader of the Council, be authorised to seek the incorporation or acquisition of companies to be wholly owned by the Council to operate under the names of Herschel Homes and Slough Homes and to complete all necessary procedures for this purpose.
- (e) Recommend to full Council that up to £3.1m of additional capital expenditure be incurred for Slough Homes to acquire suitable properties, which will be secured on property, and that £28m is allocated to Herschel Homes and £23.4m allocated to Slough Homes in the period to 31 March 2019 to acquire properties as set out in the business plan set out in appendices One and Two.
- (f) That authority be delegated to the Assistant Director Finance & Audit, following consultation with the Leader and Commissioner for Housing & Urban Renewal to approve the draft Heads of Terms for the Facility Agreement for the Council to provide loan and equity finance to Herschel Homes and Slough Homes and agree that the Assistant Director Finance & Audit, in consultation with the Leader of the Council is authorised to finalise the Facility Agreement and to enable up to £28m to be lent to Herschel Homes and £26.5m to be lent to Slough Homes in the period to 31 March 2019 and for a temporary cash facility of up to £50k to be

available from the Council to the two Companies for the initial 18 months as 'working capital' (charged at the base rate plus 2%).

- (g) That the proposed governance arrangements for each company set out in Section 5 in this report and the Shareholder Agreement included as Appendix 7.4 be approved and authority be delegated to the Assistant Director Finance & Audit in consultation with the Head of Legal Service to complete the draft terms.
- (h) That the Assistant Director Finance and Audit and the Head of Neighbourhoods be authorised to agree prices for services provided by the Council (such as Housing, Property and Asset Management), between the Council and both housing companies.
- (i) That the Head of Legal Services, following consultation with the Strategic Director Housing, Regeneration & Resources in consultation with the Commissioner for Housing and Urban Renewal, be authorised to select an alternative company name for Slough Homes (which will be subject to availability at Companies House).
- (j) That the disposal of the Housing Revenue Account ("HRA") asset at Pendeen Court and General Fund asset at High Street, Langley to Slough Homes be authorised for a sum that represents no less than best value.
- (k) That delegated authority be given to the Assistant Director Assets, Infrastructure and Regeneration following consultation with the Leader, the Council's section 151 Officer and the Head of Neighbourhood Services to agree the final valuation sum for Pendeen Court and High Street, Langley and agree all non-financial terms.

### 3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

Funding the delivery of new homes will improve the quality of the built environment and the image of the town whilst providing much needed housing accommodation. Providing quality private rented and sub-market rented accommodation through the subsidiary companies will help cater for areas of housing need that are occupied by people who cannot access traditional social housing whilst not being in a position to purchase a home.

#### 3b **Five Year Plan Outcomes**

Increasing the supply of well managed quality private rented accommodation address the five-year plans outcomes through:

- The introduction of HH and SH will increase choice and encourage people who work in Slough to also live in Slough, which will in turn help businesses of all sizes to locate, start, grow, and stay,
- Increasing the supply of quality accommodation will contribute towards children and young people in Slough being healthy and resilient,
- The introduction of Slough Homes will increase the supply of rented homes which are affordable to local people, will help prevent homelessness (where possible) and also help reduce the current financial burden of temporary housing costs.

#### 4 Other Implications

##### (a) Financial

The financial modelling for the housing companies has been developed by external consultants with officers providing and agreeing assumptions.

The business plans assume the Council incurs additional capital expenditure in buying shares in and/or making loan advances to the housing companies. The interest charges on the loan advances will be sufficient over the life of both company's business plan (and agreed loan period) to at least meet the Council's financing and administrative costs in borrowing money to make these advances. The Council is able to lend funds to the housing companies using the powers outlined in section 4c) below. As long as the arrangements are deemed to be State-Aid compliant (i.e. effectively this means they do not provide a hidden subsidy to the company). The alternative of directly sourcing external private funding would be significantly more challenging, time consuming and would pass significant influence and potentially control over the housing companies business activities and decisions to the lenders.

If Cabinet approves the proposals in this report, each company will submit an annual business plan that will set out future proposed loan requirements. The table below provides indicative funding requirements to allow the two companies to create the housing portfolios to fulfil their objectives.

	2016/17	2017/18	2018/19
Slough Homes – new units	-	£7.7m	£15.7m
Slough Homes – Pendeen & High St	£3.1m	-	-
Herschel Homes – new units	-	£17.5m (1)	£10.5m
<b>TOTAL FUNDING REQUIREMENTS</b>	<b>£3.1m</b>	<b>£25.2m(2)</b>	<b>£26.2m*</b>

Notes:

1. Whilst the sum of £17.5m is assumed to be spent in 2017/18, flexibility is requested to acquire suitable properties that may become available in 2016/17.

2. These loans are borrowed on an interest only basis and will need rescheduling and/or repaying by the sale of the housing units as the business plan and circumstances direct

##### (b) Risk Management

Risk	Mitigation	Opportunity
<b>Collapse of Housing Market</b> - Failure of a SHC	A slim, low cost structure is proposed, which the Council would control; either one or both companies could be wound up relatively easily if necessary.  Each company will be	The properties could be sold, realising the appreciation on capital value to repay loans and generate a profit

	independently registered and will be fire walled.	
<b>Finance</b> - The assumptions in the financial model are not robust or the financial model is flawed	The Business Plan model will be rigorously tested. Assumptions will be challenged and set at prudent levels. Sensitivity analysis and testing will be undertaken and a mitigation strategy for each scenario will be developed.	
<b>Finance</b> - Initial rental values are lower than forecast.	Scheme viability and affordability has been based on up to date and market information. Advice taken by lettings agents before acquisitions takes place.	
<b>Finance/Management</b> - Failure to collect all legally recoverable monies	The lettings policy will require the use of direct debits and rental deposits/ credit checks prior to the letting of property.	The Council could enter into an agreement with a Lettings Agent to deliver the service – this will transfer risk, but reduce profitability.
<b>Finance/Management</b> Failure to make available for re-letting or to re-let in timescale	A bad debt and void provision in the Business Case will be monitored carefully, as will the cost of void turnover repairs and time taken to re-let properties.	The Council could enter into an agreement with a Lettings Agent to deliver the service – this will transfer risk, but reduce profitability.
<b>Tax</b> - The accounting and tax treatment set out in the Business Case is challenged	Expert external tax advice will be taken and considered as part of the Business Plan.	
<b>Governance</b> – The Governance structures do not allow appropriate decision making and/or enable the project to be properly set up or delivered	Expert legal advice has been sought to introduce appropriate governance structures. Final Governance arrangements are proposed within this report.	
<b>Demand</b> - Properties prove difficult to rent and impact on the financial projections/profitability	Thorough market research has been undertaken to inform the financial projections and external expertise will be commissioned to support the development of a robust marketing plan.	The Council is potentially establishing a group of SHC's. Should one company fail, properties could be sold between companies at the relevant market value and/or properties could be sold to repay debt.
<b>Capacity</b> – the Council does not have the internal capacity to introduce the company without negatively impacting on business as usual.	Enter into agreements with a local lettings agent for the early years of the HH, allowing the focus to concentrate on business development.	Second SBC staff to the Lettings Agent with a view to developing in-house expertise before bringing the company in-house.

(c) Human Rights Act and Other Legal Implications

The Council have a general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. Accordingly the Council may own shares in companies, make loans and provide financial and other assistance to companies, dispose of assets to companies, and receive dividends from companies in the same manner as individuals generally may do. The Council, therefore, will be able to incorporate or acquire the companies and to operate them as proposed, under this general power of competence.

Furthermore, if the Council wish to do anything for commercial purposes under this general power of competence, they must do so through a company.

This general power of competence is, however, subject to the limitation that the Council cannot do anything which they were not able to do by virtue of any statutory restriction on their powers which applied before the Localism Act 2011 came into force.

In connection with its relations with the proposed companies, therefore, the Council will be subject to EU Rules on State Aid, to restrictions in relation to financial assistance given for privately let accommodation contained in the Local Government Act 1988 and, in relation to any disposal of any assets to the proposed companies, to the rules in relation to the disposal of its assets.

Similarly the companies, whilst they will be distinct legal entities, they may, by virtue of their links to the Council, be considered to be “bodies governed by public law” and hence to be “contracting authorities” for the purposes of the Public Contracts Regulations 2015 and hence subject to those regulations. They may also be considered to be controlled companies for the purposes of Part V of the Local Government and Housing Act 1989 and subject to the requirements the Local Authorities (Companies) Order 1995.

In the light of the above the Council will need to be astute to the following:

**State Aid**

Under State Aid Rules the Council will not be permitted to give the companies any form of financial assistance unless they do so on terms which are generally available in the market place or unless the Council are able to rely on exemptions contained within those rules. There are “de minimis” rules permitting assistance not exceeding 200,000 Euros in aggregate for all assistance by the Council in any three year rolling period and exemptions, subject to compliance with conditions, for assistance related to provision of affordable housing.

**Disposal of HRA Land**

Any disposal of land held in the Council’s Housing Revenue Account to the companies would require consent from the Secretary of State unless any such disposals satisfy the conditions set out in The General Housing Consents 2013 issued by the Secretary of State in which case the need for specific consent is dispensed with. Under those consents the Council are permitted to dispose of land (which could include dwelling-houses, houses and flats) for a consideration equal to

its market value to a body in which it has an interest provided any such disposal is among the first five disposals in any financial year.

### **Disposal of General Fund Land**

Any disposal of land held in the Council's General Fund the companies would, under Section 123 of the Local Government Act 1972, have to be at the best consideration that can reasonably be obtained otherwise it would require consent from the Secretary of State. The Secretary of State has issued a general consent permitting disposals at an undervalue not exceeding £2 million for the promotion of social, environmental or economic well-being of persons residing within the area but any reliance upon such general consent may amount to breach of EU State Aid rules

### **Financial Assistance & the Local Government Act 1988**

Under Section 24 of the Local Government Act 1988 the Council have power to provide the companies with financial assistance for the purposes of acquisition, maintenance or management of any property which is intended to be privately let as housing accommodation. Such assistance (and any such assistance which is given gratuitously) requires the consent of the Secretary of State unless any such assistance satisfies the conditions set out in The General Consents under Section 25 of the Local Government Act 2010 issued by the Secretary of State (as updated). Any assistance given without such consent, or which does not meet the conditions set out in the General Consents, would be void. The General Consents allow the giving of assistance other than the disposal of an interest in land or property or the giving of assistance or a gratuitous benefit consisting of the disposal of a dwelling house or hostel whose value in aggregate in any financial year does not exceed a sum ascertained by multiplying £3.00 by the population of the area but any reliance upon such general consents may amount to breach of EU State Aid rules.

### **Requirements of the Local Authorities (Companies) Order 1995**

This statutory instrument imposes requirements on companies deemed to be local authority controlled companies. These requirements include matters such as the need for the Council's participation to be identified on official business stationery, directors' remuneration not to be excessive, the provision of information to Council Auditors, provision of financial information to the Council, approval of auditors by the audit commission and the minutes of general meetings of the companies being open to public inspection.

(d) Equalities Impact Assessment

There are no identified needs for an EIA at this juncture.

(e) Property

Based on the findings of an external property market analysis, the outlook for rents is stronger and more stable than for house prices over the next five years. Like the sales market, the rental market faces uncertainty. However, rental values are more closely linked with incomes than with measures that drive house price growth such as interest rates and mortgage availability. Rental growth is anticipated to slow next year because of tightening affordability and the effects of Brexit. Greater uncertainty,

higher inflation, and a weak pound will impact how much households can spend on rents. However, the barriers to home ownership remain high. Renting will remain the tenure of choice for younger households.

The residential occupational market in the South East and more specifically Slough has been steady over the past sixteen months leading to November 2016. According to the Land Registry House Price Index, residential property values in Slough increased by 16% over the 12 months to April 2016. Local agents in Slough report that historic sales evidence and market activity has shown a good demand for residential property over the past twelve months, and mentioned that on certain developments, demand has maintained strong.

The decision for the United Kingdom to leave the European Union has undoubtedly had an impact on house prices in prime locations. From conversations with local agents in Slough, we understand the market remains active with values being maintained and new enquiries continuing to come in.

Taking into consideration the above, The Council's external advisors are of the opinion that as residential property is becoming increasingly unaffordable in London, Slough's popularity will increase with the aforementioned development and prospect of Crossrail servicing Slough from December 2019. Furthermore, Slough is in close proximity to London and Heathrow, so provides a good commuter location, in addition to the businesses location at the nearby SEGRO's Slough Trading Estate. It is therefore the opinion of external advisors that Slough's residential status is becoming increasingly popular for professional couples, families and investors alike.

## 5. **Supporting Information**

- 5.1 Following Cabinet approval in September 2016, Slough Borough Council ("the Council" or "SBC") has been developing the business case and detailed business plans to establish two wholly owned subsidiary housing companies. In agreeing to this recommendation, it was noted that the introduction the subsidiary housing companies had the potential to improve choice, increase quality, meet varying forms of housing need and generate independent income streams to improve the financial resilience of the Council. The outputs and outcomes were therefore closely tied to outcomes 2 and 7 in the Council's 5 Year Plan.
- 5.2 Whilst both companies will acquire homes for rent and will act as exemplar private landlords, supporting SBCs efforts to promote excellent standards in the Private Rented Sector ("PRS"), they will have distinct objectives and operating models:
  - 5.2.1 The operating model for **Herschel Homes**, which will focus exclusively on full market rents, is described in sections 5.3 – 5.9; and
  - 5.2.2 **Slough Homes**, which is summarised in sections 5.10 to 5.16, will provide a blend of affordable and market rent homes. The objective is to apply a discount on rents for as large a proportion as possible of these homes to accommodate people who are homeless or threatened with homelessness or otherwise fall within policy objectives. This will be achieved through cross-subsidy being provided from homes let at market rents.



## Herschel Homes Description

5.3 Herschel Homes (“HH”) will acquire completed new build units to provide high quality housing for market rent. Financial modelling is based on the acquisition of an initial portfolio of 365 properties over a five-year period from 1 April 2017. The majority of these properties are a mix of high end new apartments, assumed to be largely a mix of 1 and 2 bed properties. This could include planned developments of SBC-owned sites at Alpha Street, Maria Cowland Centre, 150-160 Bath Road and Wexham South as well as sites developed by third parties

The fact that the Council already has a well-defined list of regeneration sites and an approved delivery vehicle (Slough Urban Renewal) in place to construct new build housing in Slough creates greater certainty that HH will realise its business objectives.

5.4 HH will require funding to acquire the properties. The intention is that this will be provided by the Council, and that the financial arrangements will enable the Council to earn a return on its funding in the most efficient way, taking account of the regulatory environment – in particular tax and state aid issues. To address both state aid and HMRC issues, the way in which HH is funded will reflect a normal commercial arrangement, with the Council acting in a way in which a private lender and/or investor would in similar circumstances in a market economy.

5.5 The Council’s revenue return from its investment in the Company will be generated by the net rent receivable (less tax) and will be receivable as a combination of interest and dividends from profits after tax.

5.6 In addition to this projected revenue return to the Council, HH will own a portfolio of properties which are projected to appreciate in value over time. Whilst this growth in value will not be realised unless the properties are sold, the business plan shows the gradual increase in the underlying property values which could be realised at some point in the future to reduce debt and/ or provide capital for reinvestment.

5.7 The expectation is that within the first five years, capital funding for HH will be fully financed by the Council through loan funding and equity. However, the overriding principle of the financial modelling is that the company will introduce an independent income stream and there will be no overall cost to the Council from financing the housing company. In addition, the Council is likely to benefit from any future dividends (profits after tax) from the company and 100% of any growth in the value of the property portfolio.

5.8 It is envisaged that the Board of HH will consist of suitably experienced officers. Based on the existing staffing structure, the Board would include:

- Strategic Director – Regeneration, Housing & Resources
- Head of Finance (Transformation)
- Head of Housing
- Head of Asset Management

Due to the commercial nature and objectives of Herschel Homes, it may seek to augment the board by attracting external business expertise with commercial property and investment experience – potentially through part time non-exec Directors. It is anticipated that the Board of Directors will obtain operational support

from the Council's Asset Management Team to deliver the company Acquisition Strategy

The governance arrangements describing the role of Councillors will be described in section 5.23.

5.9 It is assumed that:

- The Company will enter into agreements with SBC to acquire services as required.
- In the early years (1-3) of the company, the day-to-day lettings, management and marketing will be managed on behalf of HH by a lettings company. This will allow the Board of Directors to concentrate on business development (i.e. building the portfolio).
- Whilst selected existing properties could be acquired if they reflected the operating model of HH and were deemed to represent a good investment, HH will primarily focus on acquiring and managing new build properties within Slough.
- The business plan will assume that the service will be brought completely in-house by year 4.
- To reduce tax liabilities, all net profits will be transferred back to the Parent Company (the Council) in the most tax efficient manner.
- An individual business plan will need to be approved by the board and SBC.

### **Slough Homes Description**

5.10 Slough Homes ("SH") will focus on providing homes to a wider range of people than those who have traditionally been council or housing association tenants. As reported in September 2016, local market housing failure means that an increasing number of residents are unable to afford decent homes in the area. This failure not only has an adverse effect for individuals but also threatens the local economy. The expectation is that SH will assist the Council to more easily discharge its responsibilities to homeless residents and others and in containing or reducing the cost of expensive temporary accommodation such as Bed and Breakfast hotels. It would also be possible for SH to secure accommodation for specialist purposes such as housing for care leavers and key workers.

5.11 It is proposed that the company will purchase up to 25 existing residential properties to rent in year 1 and 50 properties each year for the next 4 years with a total portfolio at the end of year 5 of 225 homes.

5.12 A significant proportion of this property will be let at a discounted rent and the overall aim would be to maximise this proportion. Rents would primarily be aligned with the Local Housing Allowance (LHA, the maximum level of Housing Benefit payments) and, in order for the model to remain cost neutral to the Council, a proportion will be let at full market rent. It will also be possible for the company to let at a range of rents below market level to reflect particular household or family circumstances. The initial proportion of homes able to be provided at discounted market rent levels is set out in the business plan and will be reviewed annually. Should the need for discounted market rent properties reduce in the coming years, the potential exists for the company to return an increased profit and make a return to the Council's General Fund in the form of a dividend from letting a greater number of properties at full market rent. In addition, the company will be able to assist the Council in identifying private sector properties for temporary use in discharging the Council's homelessness obligations.

5.13 The proposed operating model, which will involve acquiring existing properties, will provide an opportunity to respond quickly to growing demands and make a positive contribution towards tackling the escalating problem of households in inappropriate accommodation and the risk of material increases in temporary housing costs, which is having a detrimental impact on the General Fund.

5.14 It is envisaged that the Board of SH will consist of suitably experienced officers. Based on the existing staffing structure, the Board would include:

- Strategic Director – Regeneration, Housing & Resources
- Head of Finance (Transformation)
- Head of Housing
- Head of Asset Management

It is anticipated that the Board of Directors will obtain operational support from the Council's Asset Management Team to deliver the company Acquisition Strategy and receive ongoing support from the Project Management Office.

Similarly, the governance arrangements describing the role of Councillors will be described in section 5.26.

5.15 It is assumed that:

- SH will acquire lower valued properties and will purchase a mix of existing properties in various locations throughout Slough.
- The Company will enter into agreements with SBC to undertake the day-to-day business activities associated with the sub-market rent properties (allocations, property management and marketing) will be managed on behalf of SH by SBC, operating under an agreement to provide services. However, like HH,
- In the early years (1-3) of the company, the day-to-day lettings, management and marketing of the full market rent properties will be managed on behalf of SH by a lettings company. This approach will be reviewed by the Board of Directors within 24 months.
- To reduce tax liabilities, all net profits will be transferred back to the Parent Company (the Council) in the most tax efficient manner.

5.16 The services provided by SBC will include: Allocations, Housing Management, Property Services and Rent Recovery.

#### **Proposed Company Model – Limited by Shares (both companies)**

5.17 Subsidiaries are separate, distinct legal entities for the purposes of taxation regulation and liability. The most common way that control of a subsidiary is achieved is through the ownership of shares in the subsidiary by the parent (in this case the Council). These shares, along with governance measures below give the Council the necessary means to exercise control.

5.18 The advantage of a Company Limited by Shares is that it can be grouped with the Council for Stamp Duty Land Tax ("SDLT") and therefore transfers between the two organisations would not be taxable.

5.19 Whilst the Council could seek to enter into a partnership with an equity investor via some form of joint venture, the most effective way to control the company is to

incorporate a wholly owned subsidiary. With such a model, the Council will have the maximum possible degree of control over the future activities of the subsidiary company and the Council (as sole shareholder) will have the ultimate sanction of either removing the Board Members and appointing replacements or, ultimately resolving to wind up the company. However, such a model means that the risks will not be shared.

Moving forward, to allow sustained growth and to share risk, the Council may chose to change the model to allow an equity partner in one or both of the companies – however this scenario is not assumed in years 1-5.

### **Proposed Governance Arrangements (both companies)**

5.20 The Council's relationship with each company will primarily be governed by the Council's rights under the Memorandum and Articles; a Shareholders Agreement to be entered into by the Council and **each company**, future credit/funding financial agreements and Service Level Agreements. In this report the following terms are used:

- The Funding Role,
- The Shareholder Role,
- Service level Agreements, and
- The General Role.

**Each of these roles are described in detail in sections 5.21 – 5.30 below.**

5.21 **The Funder Role** is where the Council acts as a funder and would in determining whether to lend money to HH and SH. To provide resilience and deal with potential conflicts of interest it is recommended that the Funder Role is discharged by the section 151 officer. In effect the Funder Role will act as a bank credit committee. The Funding Role's primary task will be to assess viability (as an entity) for each project which loan funding will be used for and using this analysis to determine whether to release loan funding.

5.22 It will also be necessary for the Funder Role to regularly monitor and analyse financial information generated by each company during the lifetime of each loan to ensure that they are not in breach of key financial requirements (which will be stipulated as funding conditions/covenants in each loan). For State Aid reasons the Council and its Funder Role will need to establish that for each loan a notional private lender would make that loan in identical circumstances to the Council.

5.23 The Funder Role will also have to satisfy itself that each particular loan is made in compliance with State Aid requirements and that any statutory or constitutional changes (e.g. a change in the Secretary of State's consent regime and internal changes to the Council's constitution and procedures) do not render a proposed loan and/or proposed development ultra vires. For these assessments the Funder Role is likely in part to rely upon the Council's General Role and functions such as legal services.

5.24 **The Shareholder Role** is the Council acting as the shareholder in HH and SH and ensuring (as a shareholder would) that they deliver. It will be concerned with HH and SH maximising their economic performance. It will also be interested in HH and SH:

- Complying with good company governance, financial management/audit practices;
- Having due regard for "brand"/reputation the consequences of their business practices; and
- It may at some point have to make difficult decisions such as whether to sell all or part of its interest to a private sector organisation, cease expansion of either company's activities and/or in extreme circumstances consider dissolution/winding one of the companies.

5.25 Whilst the Shareholder Role is not a vehicle for the Council to remotely manage HH or SH, it provides a framework within which the companies will operate and run their business. This will include approving the annual business plan. The terms of reference for the Shareholder Role are set out in confidential Appendix Three with the draft Shareholder Agreement included as confidential Appendix Four.

5.26 To minimise conflict of interest, the person appointed to undertake the Shareholder Role in the Council should not be a Director of either company. This is because part of the Shareholder Role will be to hold each company's performance to account and a Director of HH or SH will be responsible for that performance. With this regard, this report suggests that the Shareholder Role should be undertaken by the Section 151 Officer in consultation with the Commissioner for Housing & Urban Renewal & Leader of the Council. This approach will be reviewed annually, thus ensuring that an appropriate mechanism is in place for Cabinet to oversee the business activities of the companies.

#### **Avoiding Conflicts of Interest**

5.27 As set out above, if an officer or Member is required to make decisions about approving funding to either HH or SH or hold performance to account (either through the Shareholder Role or monitoring) then there will be a conflict in that same individual acting as a Director for either company. This is because as a Director, that individual must in that role put the interests the company first. This would prove difficult and create the potential for conflicts of interests in number situations (where the named post is also a Director) including:

- An officer or Member considering whether to agree a loan from the Council for a development;
- An officer or Member monitoring/reviewing financial/commercial performance (as a Director they would be responsible for that performance);
- An officer or Member or member reviewing a business plan in the Shareholder Role (such a plan may seek expansion which could conflict with other Council funding priorities).

5.28 To avoid these potential conflicts, the Council should avoid appointing individuals responsible for the Funder Role, the Shareholder Role or 'scrutinising' the performance of either HH's or SH's performance as a Director of either company.

#### **Service Level Agreement**

5.29 The underlying intent of a Service Level Agreement ("SLA") is to provide reassurance that there is transparency in relation to the use of the Council's core staff and facilities for purposes which relate to the activities of the subsidiary companies and ensure there is a robust mechanism for recovery by the Council of all associated costs. The SLA will set out the range of services (for example office

space, IT support, Housing Services, Legal Services and Asset Management support) that will be provided and clarify the cost of each element.

The SLA will be reviewed annually and approved by the Assistant Director Finance and Audit on behalf of the Council in consultation with the Commissioner for Housing & Urban Renewal and Leader of the Council.

5.30 **The General Role** is the Council's ordinary governance (including financial governance) role.

**Summary of Roles & Responsibilities**

5.31 In the event that Cabinet approves the introduction of the subsidiary companies, detailed arrangements will be put in place to demonstrate high levels of governance and operational effectiveness. The agreements will be required to demonstrate that:

- The group structure is established in a way that allows the Council to meet its statutory obligations,
- The strategic planning process allows the Council to guide the activities of each company in the management and delivery of services,
- The Council manages the performance of the subsidiary to ensure that standards are consistent.
- There are formal mechanisms for the control of the quality of service delivery by each company.
- There are appropriate opportunities for Councillors to be involved in decision making at a strategic level and ensure that appointments made to its subsidiary board is as transparent as possible.
- Costs are allocated correctly to each subsidiary company in order to get an accurate assessment of the total costs incurred,
- Financial reporting to the Council, include preparing 'group' accounts that will be consolidated into the Council's annual financial statement, and assessing results against group budgets and reviewing performance against key financial targets is undertaken.
- A clear distinction is made between the various companies within the group to ensure that the Councillors, Staff and third parties are clear about which part of the group they are dealing with at any given time.

5.32 The Role & Responsibilities of each party will be set out in the above agreements. These will include but are not restricted to:

<b>Council</b>	<b>Subsidiary Company</b>
<ul style="list-style-type: none"> <li>• Approval of the overall strategy of the Group,</li> <li>• Following sign-off by the Chairperson of the subsidiary, approval of the subsidiary's accounts,</li> <li>• Consideration and approval of subsidiary organisations' annual Business Plans and annual budgets,</li> </ul>	<ul style="list-style-type: none"> <li>• Works within limits approved by SBC- but with operational independence from SBC.</li> <li>• Purchases staffing and other services from SBC.</li> <li>• In relation to Slough Homes, be appointed by SBC to provide housing related services</li> <li>• Provide high quality, effective and customer- focused services</li> </ul>

<ul style="list-style-type: none"> <li>• Monitoring the performance of the subsidiary against financial and performance targets,</li> <li>• Consideration and approval of all constitutional changes, and</li> <li>• The establishment of governance policies for the subsidiary, including standing orders and codes of conduct for board members.</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with all the agreements in place between the subsidiary and the Council.</li> </ul>
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### **Proposed Disposals to Slough Homes**

5.33 To deliver the aims of Slough Homes the business plan prepared by external consultants has been augmented by a separate plan that involves the company acquiring the Council's temporary accommodation hostel type stock and provides services to accommodate people in Emergency and Temporary Accommodation on behalf of the Council. This portfolio consists of only two properties at:

- 5.33.1 Pendeen Court, and
- 5.33.2 High Street, Langley

#### **Pendeen Court**

5.34 Pendeen Court is a purpose built temporary accommodation housing scheme comprising 29 units plus:

- a communal laundry
- a common room
- internal children's play area
- staff office and cloakroom

5.35 The property has not been refurbished since it was built 26 years ago and requires significant capital investment. The benefit of Slough Homes acquiring Pendeen Court is that the refurbishment costs would be funded to ensure its ongoing use as temporary accommodation, making it fit for purpose for the next 20 years.

5.36 Pendeen Court is currently owned by the HRA and the disposal of the property is subject to the rules limiting the Council to disposing of 5 properties per year and the HRA receiving a full market capital receipt for the property. Disposal from the HRA should be a straightforward process once the valuation has been agreed as no disposals have taken place this financial year.

5.37 The Council has already agreed the erection of 5 x 2 bed units on the garage site at Pendeen as part of the HRA small sites development programme, which do not form part of this initial proposal.

5.38 The final valuation, prepared by an independent chartered surveying firm, is attached as a confidential Appendix Five.

## **High Street, Langley**

- 5.39 This property, consisting of 12 single rooms with shared facilities across two adjoined houses is a General Fund acquisition of obsolete stock from a housing association earlier in the year. In approving the acquisition, the Capital Strategy Board agreed an additional capital allocation to refurbish the building, which is nearing completion.
- 5.40 The final valuation, prepared by an independent chartered surveying firm, is attached as a confidential Appendix Six.

## **Business Case – Disposals to Slough Homes**

- 5.41 The business case supporting the disposal of Pendeen Court and High Street, Langley was approved by the capital Strategy Board on 22 November 2016 and is contained in confidential Appendix Seven.

## **6 Conclusions**

- 6.1 The recommendation in this report is to establish two wholly owned housing companies, Herschel Homes and Slough Homes. Each company would be run by its Directors but their decision making would be constrained by a Shareholders Agreement which would define the limits the Council wants to place on the ability of the Directors to make decisions and in particular the decisions that would need shareholder consent. The Council would be the sole shareholder and as such decisions as to how to exercise its shareholder powers would be determined by the Council.
- 6.2 The introduction of the joint venture between the Council and Morgan Sindall Investment limited and subsequent creation of Slough Urban Renewal is clear evidence of the Council's commitment to regeneration and track record of commercial astuteness. Through this approach, the Council will receive 100% of the land value and 50% of the residual profit upon completion of each development. Whilst this approach allows the Council to receive a higher level of return from the disposal of assets (than through a straightforward disposal with the benefit of planning), it does not provide long-term financial benefits. The introduction of Herschel Homes will allow the Council, through a subsidiary company, to acquire completed units from SUR and benefit from rental income and capital appreciation.
- 6.3. The introduction of Slough Homes will allow the Council to provide a better range of suitable accommodation for homeless households, additional affordable housing, tailored accommodation for a range of other groups such as care leavers and key workers and to act as an exemplar of good practice as a private landlord.

## **7. Appendices Attached**

The following appendices contain exempt information and are included in Part II of the agenda.

- 7.1 Appendix One - Business Plan, Herschel Homes  
7.2 Appendix Two - Business Plan, Slough Homes  
7.3 Appendix Three – Shareholder Role, terms of reference  
7.4 Appendix Four - Proposed Shareholder Agreement



- 7.5 Appendix Five - Independent Valuation Report – Pendeen Court (TO FOLLOW)
- 7.5 Appendix Six - Independent Valuation Report – High Street, Langley (TO FOLLOW)
- 7.6 Appendix Seven – Disposal Business Case

**8. Background Papers**

None.

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to be registered (as this requires at least one named director) and basics to be established (such as setting up banking arrangements).

- (e) That the Head of Legal Services, following consultation with the Commissioner for Housing and Urban Renewal and the Strategic Director Housing, Regeneration & Resources, are authorised to commence the incorporation of the Asset Management Company, select the company name in order to do so (which will be subject to availability at Companies House) and complete all necessary documentation as set out the report.
- (f) That the Assistant Director of Finance & Audit be delegated authority to develop the draft Heads of Terms for the Facility Agreement for the Council to provide loan and equity finance to the Asset Management company and following consultation with the Leader, be authorised to finalise the Facility Agreement and to enable all amounts agreed by full Council to be lent to the Asset Management Company.
- (g) That the Assistant Director of Finance & Audit be responsible for the Council's Shareholder function.
- (h) That the Assistant Director Finance & Audit be authorised to agree prices for services provided by the Council (such as Asset Management and Finance), between the Council and the Asset Management company.
- (i) That the request to provide an overdraft facility of £50,000 to establish the company, which will be repaid in 18 months from the company going operational, be approved.

### 3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

- 3.1 The introduction of a wholly owned company to pursue strategic acquisition will allow the Council to acquire land and property throughout the UK and compete on commercial terms with local authority peers that are now active in this market. The income stream generated via interest payments and dividends will create an independent income stream that will reduce the impact of cuts in central government funding and safeguard frontline services that contribute to wider strategic priorities.

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

Individual acquisitions will be reviewed in line with the Slough Joint Wellbeing Strategy priorities.

#### 3b. **Five Year Plan Outcomes**

The introduction of the Asset Management Company will create a mechanism for the Council to assemble a material property and land portfolio outside Slough that will generate a new income stream and is therefore closely tied to Outcome 7, which seeks to maximise the value of the Council's assets and income.

### 4 **Other Implications**

- a) Financial

The rationale for introducing an Asset Management Company is to provide a vehicle to invest in income generating assets to deliver an ongoing return to the Council in order to protect service provision.

The current Medium Term Financial Plan has a budget shortfall of £12.4m in 2017/18. The income generated via lending funding to the company will directly contribute to the reducing this shortfall.

The Council introduced an initial a budget for strategic asset purchases in September 2015 and approved an additional budget of £25m in November 2016. Since it is assumed that this budget facility will be available to the new company (if required), this report does not require additional capital funding. However, to cover initial set-up costs and to provide funds for pre-investment activity including a provision for specialist advisors, the report requests an overdraft facility of £50,000 for the first 18 months operation of the company, which will be repaid.

Under State Aid Rules the Council will not be permitted to give the companies any form of financial assistance unless they do so on terms which are generally available in the market place or unless the Council are able to rely on exemptions contained within those rules. There are “de minimis” rules permitting assistance not exceeding 200,000 euros in aggregate for all assistance by the Council in any three year rolling period and exemptions, subject to compliance with conditions, for assistance related to provision of affordable housing.

b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
<b>Legal</b> – competing priorities could create delays.	Appoint external solicitors to undertake due diligence and provide comprehensive reports on title, deeds, leases etc, as required.	
Property market risk – property is an inherently riskier asset than other asset classes because of its physical characteristics, which need to be managed and maintained. The Council may not achieve its target returns if market conditions significantly worsen	Undertake appropriate due diligence and appoint specialist advisers as required.	Market conditions can go up as well as down, with the Company benefitting from increased returns during an upturn.
<b>Human Rights</b>	No risks identified	
<b>Health and Safety</b>	No risks identified	
<b>Employment Issues</b>	No risks identified	It is proposed to appoint agents to act on behalf of the Council as they offer investment expertise and market intelligence not held internally.
<b>Equalities Issues</b>	No risks identified	
<b>Community Support</b>	No risks identified	
<b>Communications</b>	No risks identified	
<b>Community Safely</b>	No risks identified	
<b>Finance</b> - Abortive costs including legal and survey fees, staff costs, initial feasibility costs.	Whilst efforts will be made to reduce abortive costs it is inevitable that the Council will on occasions incur costs on projects that do not proceed.	

<b>Timetable for Delivery</b> – The existing approach is cumbersome and has added to the inability to pursue strategic acquisitions.	Introduce an Investment Committee with the specific remit of considering strategic acquisitions.	The proposed process would speed up timescales and enhance the Councils ability to compete for strategic acquisitions.
<b>Governance</b> – Poor performance	Introduction of specific procedures relating to Strategic Acquisitions, which set out objectives, criteria and delegated authority.	
<b>Governance</b> – The Governance structures do not allow appropriate decision making and/or enable the project to be properly set up or delivered	Expert legal advice has been sought to introduce appropriate governance structures. Final Governance arrangements are proposed within this report.	
<b>Performance</b> –	No risks identified	

### c) Human Rights Act and Other Legal Implications

Under Section 120 of the Local Government Act 1972 the Council may acquire by agreement any land whether situated inside or outside their area. It may do so for the purpose of (a) any of their functions under that or any other enactment or (b) for the benefit, improvement or development of their area. However, the reference in Section 120 to the benefit of the area requires some more direct connection with the property acquired than the mere fact that income from it could in future be applied to the provision of local services. Accordingly the Council may not rely on this provision to acquire property outside their area simply for the purposes of generating revenue to support services.

Under Section 12 of the Local Government Act 2003, however, the Council may invest (a) for any purposes relevant to its functions under any enactment or (b) for the prudent management of its financial affairs. Investment is generally considered to mean the acquisition of an asset to be used as a source income or alternatively the asset may be a source of capital gain. Accordingly the Council may invest in property, regardless of the location of the property under this provision if it does so for the purpose of the prudent management of its financial affairs.

What the Council may not do, however, is to conflate its powers under Section 1(b) of the Local Government Act 2003 to borrow for the purposes of the prudent management of its financial affairs with its powers under Section 12(b) to invest for the purposes of the prudent management of its financial affairs in order to be able to borrow money for the purposes of investment only, without any relation to any other specific function. In order to borrow purely for the purposes of investment it must rely upon its general powers of competence in Section 1 of the Localism Act and as acquisition of property for the purposes of generating profit would amount to doing something for a commercial purpose and would need to be done through a company, as required by Section 4 of the Localism Act 2004, if this power is to be relied upon

The constraints upon the Council in exercising its investment powers under Section 12 of the Local Government Act 2003 are that it must always comply with ordinary “Wednesbury” principles i.e. it must act reasonably and have regard to relevant matters which, in this context, would include the Guidance issued by the Secretary of State relating to local government investments, which has statutory force under Section 15, and to regulations made under that section. This guidance calls in particular for the production of an appropriate investment strategy and the Council

would then need to adhere to that strategy unless there are sensible reasons for not doing so.

d) Equalities Impact Assessment

There are no equalities issues associated with this report. However the accessibility of properties will be one of the factors for consideration in deciding between investments.

## 5 **Supporting Information**

### **Background**

- 5.1 As a consequence of sustained reductions in funding from central government being matched by growing demand to provide public services, local government has become increasingly adept at operating within a commercial environment to generate income streams. A report in October 2016 highlighted that local authorities have spent more than £780m this year to acquire a variety of investment assets including shopping centres, retail units and offices, which is more than the previous three years combined (Financial Times, October 2016).
- 5.2 In recognition of the financial and regenerative advantages of acquiring a portfolio of investment assets, Slough Borough Council (“SBC” or “the Council”) introduced the Strategic Acquisition Board (“SAB” or “the Board”) in September 2015 and provided an initial budget of £25m to purchase strategic assets. Cabinet approved a subsequent report in November 2016 that provided an additional £25m budget allocation and amended the scoring criteria. Whilst the minimum score of 240:400 (60%) for assets inside Slough was retained, it was confirmed that (in order to secure a balanced portfolio and improve the Council’s financial resilience) the SAB has additional flexibility to acquire out of borough assets provided they score a minimum of 300:400 (75%).
- 5.3 For those assets which are based outside of Slough the formation of a company may be required to ensure that the Council remains within its powers for certain property acquisitions. As set out in the legal section a number of powers (section 120 of the Local Government Act 1972 or section 12 of the Local Government Act 2003) permit the Council to directly acquire property (whether the intention is commercial or otherwise). These powers do not require the Council to form a company. However, the circumstances which must be satisfied for the Council to directly acquire property outside of the Borough may be more difficult to satisfy (compared to those within Slough) and CIPFA guidance relating to those acquisitions under the Council’s investment power (section 12 LGA 2003) may be difficult to satisfy where the Council is borrowing from the Public Works Loan Board (“PWLB”). The formation of the Company may be undertaken under the General Powers of Competence, it is now recommended that the Council forms a wholly owned Asset Management Company. The formation of a company will require the preparation of a business case that considers tax liabilities, state aid issues and financing arrangements.

### **Role of Asset Management Company**

- 5.4 The role of the company will be to acquire land and property assets located outside Slough and make subsequent decisions regarding management, investment and disposal. It will:
- Make strategic acquisition and investment decisions,

- Review proposed acquisition and investment proposals, taking into account the extent to which the proposal fulfils the investment objectives of the company, and
- Report funding decisions annually to Cabinet.

## **Investment Strategy**

- 5.5 When acquiring investment assets, it is important to have a well balanced portfolio which can counteract significant market changes. Each asset acquired would need to be considered in line with the existing portfolio e.g. if the majority of the portfolio were industrial then it would need to be balanced with further office and retail property, or if the portfolio income was very insecure then it could be balanced by investments with longer projected income. In times of uncertainty and revenue pressures sector balance becomes less critical to acquiring assets that provide secure income leased to an occupier with a low risk of business failure – the market refer to this as buying defensive stock.
- 5.6 Officers will apply a defined list of property specific criteria when making recommendations to the board on investment acquisitions using the same criteria adopted by Cabinet when introducing the SAB, which is included as confidential Appendix Three.
- 5.7 The aim of the Investment Strategy is to secure and realise the benefits of the effective management of investments , which include:
- Increasing annual returns and create new additional revenue income streams;
  - Acquire properties that provide long-term investment in accordance with the Medium Term Financial Plan and long-term financial/corporate objectives,
  - Maximise return whilst minimising risk through prudent management
  - Adopting an approach of risk awareness not risk adverse.
  - Prioritise properties that yield stable income and optimal rental growth.
  - Protect capital invested in acquired properties through reinvestment /Asset Management as required.
- 5.8 Asset Management, supported by independent specialist professionals where appropriate, will identify potential investment opportunities and provide advice on each proposal coming forward to the Directors of the company for consideration. All acquisition opportunities presented to the board will be supported by a financial appraisal and business case to establish the financial and budgetary implications. The appraisal and business case will assess how the strategic acquisition will be financed and will:
- Consider if the investment achieves business objectives.
  - Confirm that for the acquisition of land the price is reasonable (allowing for a special purchase consideration) and supported by an independent valuation.
  - Confirm that for the acquisition of a standing investment the price is reasonable and supported by an independent valuation.
  - Where appropriate, there is secure rental income taking into account risks associated with the security of future payments, including (where appropriate) sensitivity analysis for void periods.



- Identify whole life costs (where appropriate), including VAT and other costs incurred as a result of acquiring through the Asset Management Company 'vehicle'.
- Identify the most appropriate funding source(s), risks/financial exposure, and confirm availability.

### **Company Model – Limited by Shares**

- 5.9 Subsidiaries are separate, distinct legal entities for the purposes of taxation regulation and liability. The most common way that control of a subsidiary is achieved is through the ownership of share in the subsidiary by the parent (in this case the Council). These shares, along with governance measures below give the Council the necessary means to exercise control.
- 5.10 The advantage of a Company Limited By Shares is that it can be grouped with the Council for Stamp Duty Land Tax ("SDLT") and therefore transfers between the two organisations would not be taxable.
- 5.11 Whilst the Council could seek to enter into a partnership with an equity investor via some form of joint venture, the most effective way to control the company is to incorporate a wholly owned subsidiary. With such a model, the Council will have the maximum possible degree of control over the future activities of the subsidiary company and the Council (as sole shareholder) will have the ultimate sanction of either removing the Board Members and appointing replacements or, ultimately resolving to wind up the company. However, such a model means that the risks will not be shared.

### **Governance Arrangements**

- 5.12 The Asset Management Company will consider business cases that contribute to the delivery of a defined Investment Strategy.
- 5.13 It is envisaged that the board of the Asset Management Company will include a mix of elected members and suitably experienced officers and will mirror the board membership of the SAB. As follows:
- Leader of Council
  - Commissioner for Housing & Urban Renewal
  - Strategic Director Regeneration, Housing & Resources
  - Assistant Director Assets, Infrastructure & Resources
  - Head of Finance (Transformation)
- 5.14 The Articles of Association for the company will be created in accordance with these governance arrangements, with operational decision-making residing with the Directors of the Company. As part of this operational decision-making the Directors will be authorised to undertake asset and property management functions to maintain and improve performance.
- 5.15 The Directors will be authorised to make capital expenditure decisions on refurbishment and enhancement to improve annual returns, subject to expenditure being identified and approved in the annual business plan for the company and/ or within agreed thresholds of spend at the discretion of Directors.

## Relationship Agreement between SBC and Subsidiary Companies

- 5.16 The Council's relationship with each the Asset Management company will primarily be governed by the Council's rights under the Memorandum and Articles; a Shareholders Agreement to be entered into by the Council and the company and future credit/funding financial agreements. In this report the following terms are used:
- The Funding Role,
  - The Shareholder Role,
  - Service Level Agreement, and
  - The General Role.

Each of these roles are described in detail in sections 5.17 - 5.27 below.

- 5.17 **The Funder Role** is where the Council acts as a funder and would in determining whether to lend money to the company. To provide resilience and deal with potential conflicts of interest it is recommended that the Funder Role is discharged by the section 151 officer. In effect the Funder Role will act as a bank credit committee. The Funding Role's primary task will be to assess viability (as an entity) for each acquisition for which loan funding will be used for and using this analysis to determine whether to release loan funding.
- 5.18 It will also be necessary for the Funder Role to regularly monitor and analyse financial information generated by the company during the lifetime of each loan to ensure that it does not breach any of the key financial requirements (which will be stipulated as funding conditions/covenants in each loan). For State Aid reasons the Council and its Funder Role will need to establish that for each loan a notional private lender would make that loan in identical circumstances to the Council.
- 5.19 The Funder Role also will have to satisfy itself that each particular loan is made in compliance with State Aid requirements and that any statutory or constitutional changes (e.g. a change in the Secretary of State's consent regime and internal changes to the Council's constitution and procedures) would not render a proposed loan and/or proposed development ultra vires. For these assessments the Funder Role is likely in part to rely upon the Council's General Role and functions such as legal services.
- 5.20 **The Shareholder Role** is the Council acting as the shareholder in the company and ensuring (as a shareholder would) that it delivers on key requirements (see Appendix Two, terms of reference). It will be concerned that the Asset Management Company maximises its economic performance. It will also be interested in the Asset Management Company:
- Complying with good company governance, financial management/audit practices;
  - Having due regard for "brand"/reputation the consequences of their business practices; and
  - It may at some point have to make difficult decisions such as whether to sell all or part of its interest to a private sector organisation, cease expansion of either company's activities and/or in extreme circumstances consider dissolution/winding one of the companies.

- 5.21 Whilst the Shareholder Role is not a vehicle for the Council to remotely manage the company, it provides a framework within which it operates and runs its business. This will include approving the annual business plan.
- 5.22 This particular Shareholder Role may be very different from those which the Council typically operates. This is because the involvement of Officers and Members in other entities may focus more on policy and community outcomes rather than be purely commercially driven. The Shareholder Protocol could include a statement which sets out why exercising the Shareholder Role for the Asset Management Company is different.
- 5.23 To minimise conflict of interest the person appointed to undertake the Shareholder Role in the Council should ideally not be a Director of the company. This is because part of the Shareholder Role will be to hold the company's performance into account and a Director of the Asset Management Company will be responsible for that performance.

#### **Avoiding Conflicts of Interest**

- 5.24 As set out above, if an officer or Member is required to make decisions about approving funding to the Asset Management Company or hold performance to account (either through the Shareholder Role or monitoring) then there will be a conflict in that same individual acting as a Director. This is because as a Director, that individual must in that role must put the interests the company first. This would prove difficult and create the potential for conflicts of interests in a number situations (where the named post is also a Director) including:
- An officer or Member considering whether to agree a loan from the Council for an acquisition;
  - An officer or Member monitoring/reviewing financial/commercial performance (as a Director they would be responsible for that performance);
  - An officer or Member or member reviewing a business plan in the Shareholder Role (such a plan may seek expansion which could conflict with other Council funding priorities).
- 5.25 To avoid these potential conflicts, the Council will avoid appointing individuals responsible for the Funder Role, the Shareholder Role or 'scrutinising' the performance of the company's performance as a Director.

#### **Service Level Agreement**

- 5.26 The underlying intent of a Service Level Agreement ("SLA") is to provide reassurance that there is transparency in relation to the use of the Council's core staff and facilities for purposes which relate to the activities of the subsidiary company and ensure there is a robust mechanism for recovery by the Council of all associated costs. The SLA will set out the range of services (for example office space, IT support, Housing Services, Legal Services and Asset Management support) that will be provided and clarify the cost of each element.

The SLA will be reviewed annually and approved by the Assistant Director Finance and Audit on behalf of the Council in consultation with the Commissioner for Housing & Urban Renewal and Leader of the Council.

- 5.27 **The General Role** is the Council's ordinary governance (including financial governance) role.

## Summary of Roles & Responsibilities

5.28 In the event that Cabinet approves the introduction of the Asset Management Company, detailed arrangements will be put in place to demonstrate high levels of governance and operational effectiveness. The agreements will be required to demonstrate that:

- The group structure is established in a way that allows the Council to meet its statutory obligations,
- The strategic planning process allows the Council to guide the activities of the company in the management and delivery of services,
- The Council manages the performance of the subsidiary to ensure that standards are consistent.
- There are formal mechanisms for the control of the quality of service delivery by the company.
- There are appropriate opportunities for Councillors to be involved in decision making at a strategic level and ensure that appointments made to its subsidiary board is as transparent as possible.
- Costs are allocated correctly to the subsidiary company in order to get an accurate assessment of the total costs incurred,
- Financial reporting to the Council, include preparing 'group' accounts that will be consolidated into the Council's annual financial statement, and assessing results against group budgets and reviewing performance against key financial targets is undertaken.

5.29 The Role & Responsibilities of each party will be set out in the above agreements. These will include but are not restricted to:

<b>Council</b>	<b>Subsidiary Company</b>
<ul style="list-style-type: none"> <li>• Approval of the overall strategy of the Group,</li> <li>• Following sign-off by the Chairperson of the subsidiary, approval of the subsidiary's accounts,</li> <li>• Consideration and approval of subsidiary organisations' annual Business Plans and annual budgets,</li> <li>• Monitoring the performance of the subsidiary against financial and performance targets,</li> <li>• Consideration and approval of all constitutional changes, and</li> <li>• The establishment of governance policies for the subsidiary, including standing orders and codes of conduct for board members.</li> </ul>	<ul style="list-style-type: none"> <li>• Works within limits approved by SBC- but with operational independence from SBC.</li> <li>• Purchases staffing and other services from SBC.</li> <li>• Provide high quality, effective and customer- focused services</li> <li>• Comply with all the agreements in place between the subsidiary and the Council.</li> </ul>

## **Risk Management**

- 5.30 The implementation of the Asset Management Company will expose the Council to a variety of governance and financial risks. Having established the SAB in 2015, the Council is already familiar with the inherent risks and therefore the approach will be to create a balanced portfolio of investments. However, the creation of a balanced portfolio is dependent on a combination of the availability of resources to invest, increased competition and opportunities coming to the market.
- 5.31 A series of governance processes were introduced to manage the SAB process, which are described above. These will be replicated by the company to ensure that all investment opportunities undertaken by the company are subject to the same degree of scrutiny as those that the Council undertakes in its own right.
- 5.32 Acquiring land for housing-led regeneration (especially without the benefit of planning) will introduce a greater risk than investing in existing assets but will also provide the opportunity for a greater rate of return – however it should be stressed that this is likely to be a medium-long term return and may introduce holding costs.

## **6. Comments of Other Committees**

This report has not been considered by any other committees.

## **Conclusion**

- 7.1 This report seeks approval to introduce a new wholly owned company with the specific purpose of acquiring land and property assets outside the operating area of Slough Borough Council. The company will be wholly owned by the Council and will generate an independent income stream that will complement investment income already generated via the existing strategic asset purchase scheme.

## **8. Appendices Attached**

The following appendices contain exempt information and are in Part II of the agenda.

- 8.1 Appendix One - Proposed Shareholder Function  
8.2 Appendix Two - Draft Heads of Terms - Shareholder Function  
8.3 Appendix Three - Investment Criteria

## **9. Background Papers**

None

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 19<sup>th</sup> December 2016

**CONTACT OFFICER:** Catherine Meek, Head of Democratic Services  
(For all enquiries) 01753 875011

**WARD(S):** All

**PORTFOLIO:** Leader, Finance and Strategy – Councillor Munawar

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

**NOTIFICATION OF DECISIONS****1. Purpose of Report**

To seek Cabinet endorsement of the published Notification of Decisions, which has replaced the Executive Forward Plan.

**2. Recommendation**

The Cabinet is requested to resolve that the Notification of Decisions be endorsed.

**3. Slough Joint Wellbeing Strategy Priorities**

The Notification of Decisions sets out when key decisions are expected to be taken and a short overview of the matters to be considered. The decisions taken will contribute to all of the following Slough Joint Wellbeing Strategy Priorities:

- Health
- Economy and Skills
- Housing
- Regeneration and Environment
- Safer Slough

**4. Other Implications****(a) Financial**

There are no financial implications.

**(b) Human Rights Act and Other Legal Implications**

There are no Human Rights Act implications. The Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012 require the executive to publish a notice of the key decisions, and those to be taken in private under Part II of the agenda, at least 28 clear days before the decision can be taken. This notice replaced the legal requirement for a 4-month rolling Forward Plan.

## **5. Supporting Information**

5.1 The Notification of Decisions replaces the Forward Plan. The Notice is updated each month on a rolling basis, and sets out:

- A short description of matters under consideration and when key decisions are expected to be taken over the following three months;
- Who is responsible for taking the decisions and how they can be contacted;
- What relevant reports and background papers are available; and
- Whether it is likely the report will include exempt information which would need to be considered in private in Part II of the agenda.

5.2 The Notice contains matters which the Leader considers will be the subject of a key decision to be taken by the Cabinet, a Committee of the Cabinet, officers, or under joint arrangements in the course of the discharge of an executive function during the period covered by the Plan.

5.3 Key Decisions are defined in Article 14 of the Constitution, as an Executive decision which is likely either:

- to result in the Council incurring expenditure which is, or the making of savings which are, significant, having regard to the Council's budget for the service or function to which the decision relates; or
- to be significant in terms of its effects on communities living or working in an area comprising two or more wards within the Borough.

The Council has decided that any expenditure or savings of £250,000 or more shall be significant for the purposes of a key decision.

5.4 There are provisions for exceptions to the requirement for a key decision to be included in the Notice and these provisions and necessary actions are detailed in paragraphs 15 and 16 of Section 4.2 of the Constitution.

5.5 To avoid duplication of paperwork the Member Panel on the Constitution agreed that the Authority's Notification of Decisions would include both key and non key decisions – and as such the document would form a comprehensive programme of work for the Cabinet. Key decisions are highlighted in bold.

## **6. Appendices Attached**

'A' - Current Notification of Decisions – published 18<sup>th</sup> November 2016.

## **7. Background Papers**

None.



# NOTIFICATION OF DECISIONS

1 DECEMBER 2016 TO 28 FEBRUARY 2017

## **SLOUGH BOROUGH COUNCIL**

### **NOTIFICATION OF DECISIONS**

Slough Borough Council has a decision making process involving an Executive (Cabinet) and a Scrutiny Function.

As part of the process, the Council will publish a Notification of Decisions which sets out the decisions which the Cabinet intends to take over the following 3 months. The Notice includes both Key and non Key decisions. Key decisions are those which are financially significant or have a significant impact on 2 or more Wards in the Town. This Notice supersedes all previous editions.

Whilst the majority of the Cabinet's business at the meetings listed in this document will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of the Cabinet meetings listed in this Notice will/may be held in private because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

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This document provides a summary of the reason why a matter is likely to be considered in private / Part II. The full reasons are listed alongside the report on the Council's website.

If you have any queries, or wish to make any representations in relation to the meeting being held in private for the consideration of the Part II items, please email [catherine.meek@slough.gov.uk](mailto:catherine.meek@slough.gov.uk) (no later than 15 calendar days before the meeting date listed).

#### **What will you find in the Notice?**

For each decision, the plan will give:

- The subject of the report.
- Who will make the decision.
- The date on which or the period in which the decision will be made.
- Contact details of the officer preparing the report.
- A list of those documents considered in the preparation of the report (if not published elsewhere).
- The likelihood the report would contain confidential or exempt information.

## **What is a Key Decision?**

An executive decision which is likely either:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards within the borough.

## **Who will make the Decision?**

Decisions set out in this Notice will be taken by the Cabinet, unless otherwise specified. All decisions (unless otherwise stated) included in this Notice will be taken on the basis of a written report and will be published on the Council's website before the meeting.

The members of the Cabinet are as follows:

- |  |                    |
|--|--------------------|
| • Leader of the Council - Finance & Strategy                                 | Councillor Munawar |
| • Education & Children's Services and Health & Social Care (& Deputy Leader) | Councillor Hussain |
| • Housing & Urban Renewal  | Councillor Ajaib   |
| • Environment and Leisure  | Councillor Bal     |
| • Regulation and Consumer Protection   | Councillor Sohal   |
| • Transport and Highways   | Councillor Matloob |
| • Digital transformation & Customer Care                                     | Councillor Sharif  |

## **Where can you find a copy of the Notification of Decisions?**

The Plan will be updated and republished monthly. A copy can be obtained from Democratic Services at St Martin's Place, 51 Bath Road on weekdays between 9.00 a.m. and 4.45 p.m., from MyCouncil, Landmark Place, High Street, or Tel: (01753) 875120, email: [catherine.meek@slough.gov.uk](mailto:catherine.meek@slough.gov.uk). Copies will be available in the Borough's libraries and a copy will be published on Slough Borough Council's Website.

## **How can you have your say on Cabinet reports?**

Each Report has a contact officer. If you want to comment or make representations, notify the contact officer before the deadline given.

### **What about the Papers considered when the decision is made?**

Reports relied on to make key decisions will be available before the meeting on the Council's website or are available from Democratic Services.

### **Can you attend the meeting at which the decision will be taken?**

Where decisions are made by the Cabinet, the majority of these will be made in open meetings. Some decisions have to be taken in private, where they are exempt or confidential as detailed in the Local Government Act 1972. You will be able to attend the discussions on all other decisions.

### **When will the decision come into force?**

Implementation of decisions will be delayed for 5 working days after Members are notified of the decisions to allow Members to refer the decisions to the Overview and Scrutiny Committee, unless the decision is urgent, in which case it may be implemented immediately.

### **What about key decisions taken by officers?**

Many of the Council's decisions are taken by officers under delegated authority. Key decisions will be listed with those to be taken by the Cabinet. Key and Significant Decisions taken under delegated authority are reported monthly and published on the Council's website.

### **Are there exceptions to the above arrangements?**

There will be occasions when it will not be possible to include a decision/report in this Notice. If a key decision is not in this Notice but cannot be delayed until the next Notice is published, it can still be taken if:

- The Head of Democratic Services has informed the Chair of the Overview and Scrutiny Committee or relevant Scrutiny Panel in writing, of the proposed decision/action. (In the absence of the above, the Mayor and Deputy Mayor will be consulted);
- Copies of the Notice have been made available to the Public; and at least 5 working days have passed since public notice was given.
- If the decision is too urgent to comply with the above requirement, the agreement of the Chair of the Overview and Scrutiny Committee has been obtained that the decision cannot be reasonably deferred.
- If the decision needs to be taken in the private part of a meeting (Part II) and Notice of this has not been published, the Head of Democratic Services will seek permission from the Chair of Overview & Scrutiny, and publish a Notice setting out how representations can be made in relation to the intention to consider the matter in Part II of the agenda. Urgent Notices are published on the Council's [website](#).

## Cabinet - 19th December 2016

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<p><b><u>Learning Disabilities Change Programme</u></b></p> <p>To receive an update report on the progress made in reconfiguring the borough's activities offer for people with Learning Disabilities.</p>	H&S	All	All	Simon Broad, Head of Safeguarding and Adult Learning Disabilities Tel: 01753 875202	Health Scrutiny Panel, 23/11/16	None		
<p><b><u>Leisure Strategy Capital Development Programme: Langley Leisure Centre and Salt Hill Leisure Facility</u></b></p> <p>To consider proposals for the improvement of the Langley Leisure Centre and Salt Hill Leisure Facility.</p>	E&L	All	All	Roger Parkin, Strategic Director Customer and Community Services Tel: 01753 875207	-	None		Yes, p3 LGA
<p><b><u>Finance Update</u></b></p> <p>To receive an update on the latest revenue and capital position; and to consider any write off requests, virements and any other financial decisions requiring Cabinet approval.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		

**Portfolio Key** – F&S = Finance and Strategy, DT = Digital Transformation, E & L = Environment and Leisure, E & C = Education and Children, T & H = Transport & Highways, R & C = Regulation and Consumer Protection, H & S = Health and Social Care, H & U = Housing & Urban Renewal

**Bold** – Key Decision

Non-Bold – Non-Key Decision

*Italics* – Performance/Monitoring Report

<p><b><u>Medium Term Financial Planning Update and Initial Savings Proposals</u></b></p> <p>To consider an update on the Council's medium term financial planning position and consider any initial savings proposals as part of the development of the revenue budget 2017/18.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<p><b><u>Council Taxbases for 2017/18</u></b></p> <p>To present information on the properties in Slough and their categories of occupation for the purpose of determining the council taxbase for the borough for the 2017/18 financial year.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<p><b><u>Establishment of Subsidiary Housing Companies</u></b></p> <p>Further to the Cabinet resolutions of 5<sup>th</sup> September 2016, to take further decisions on the establishment of a housing company group structure and business plans.</p>	H&U	All	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None		Yes, p3 LGA
<p><b><u>Trelawney Avenue Redevelopment Plan Progress Report</u></b></p> <p>To consider a final report on the community hub proposals forming the Trelawney Avenue Redevelopment Plan, subject to necessary progress being made on the business case.</p>	H&U	Langley Kedermister	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None		Yes, p3 LGA

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**Bold** – Key Decision      Non-Bold – Non-Key Decision      *Italics* – Performance/Monitoring Report

<b><u>Council Tax Support Scheme 2017-18</u></b>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
To agree a scheme for the administration of Council Tax support for 2017-18.								
<b><u>RMI Contract - Progress Update</u></b>	H&U	All	All	Mike England, Interim Strategic Director Regeneration, Housing & Resources Tel: 01753 875301	-	None		Yes, p3 LGA
To consider a report updating the Cabinet on the procurement of a Repairs, Maintenance & Investment contract and to determine the shortlist of bidders.								
<b><u>Slough Fire Station Tuns Lane</u></b>	H&U	Chalvey	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None		Yes, p3 LGA
To seek approval to work collaboratively with Michael Shanly Homes (MSH) and its asset holding subsidiaries regarding comprehensive redevelopment of the area including authority to make and implement a Compulsory Purchase Order (CPO) of the third party land.								
<b><u>Redevelopment of North West Quadrant – Update Report</u></b>	H&U	Central	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None		Yes, p3 LGA
To provide an update to Cabinet on options to redevelop the North West Quadrant.								

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<p><b><u>Strategic Acquisition Fund – Update Report</u></b></p> <p>On 14 September 2015 Cabinet approved the introduction of a Strategic Acquisition Strategy to enable the Council to undertake asset investment through the acquisition of land and/or property generating income to realise the ambitions and outcomes agreed in the 5 Year Plan and improve the Council’s financial resilience. The purpose of this report is to provide an update to Cabinet on the activities of the Strategic Acquisition Board.</p>	F&S	All	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None		Yes, p3 LGA
<p><u>References from Overview &amp; Scrutiny</u></p> <p><i>To consider any recommendations from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i></p>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None		
<p><u>Notification of Forthcoming Decisions</u></p> <p><i>To endorse the published Notification of Decisions.</i></p>	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None		

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## Cabinet - 23rd January 2017

Item	Port- folio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<p><u>Finance Update</u></p> <p>To receive an update on the latest revenue and capital position; and to consider any write off requests, virements and any other financial decisions requiring Cabinet approval.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<p><u>Performance Report: 2nd Quarter 2016/17</u></p> <p>To receive the latest performance information and project updates for the period between July to September 2016.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<p><b><u>Five Year Plan 2017-2021</u></b></p> <p>To consider the revised Five Year Plan 2017-21, and if approved to recommend to full Council on 31<sup>st</sup> January 2017.</p>	F&S	All	All	Tracy Luck, Assistant Director Strategy & Engagement Tel: 01753 875518	-	None		
<p><b><u>Slough Housing Strategy</u></b></p> <p>To consider the new Slough Housing Council, and if approved to recommend the document to full Council on 31<sup>st</sup> January 2017.</p>	H&U	All	All	Mike England, Interim Strategic Director Regeneration, Housing & Resources Tel: 01753 875301	-	None		

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**Bold** – Key Decision

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<b><u>HRA Rents and Service Charges 2017/18</u></b>  To seek approval of the Housing Revenue Account rent and service charge changes for 2017/18.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<b><u>References from Overview &amp; Scrutiny</u></b>  <i>To consider any recommendations from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None		
<b><u>Notification of Forthcoming Decisions</u></b>  <i>To endorse the published Notification of Decisions.</i>	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None		

## Cabinet - 6th February 2017

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<b><u>Finance Update</u></b>  To receive an update on the latest revenue and capital position; and to consider any write off requests, virements and any other financial decisions requiring Cabinet approval.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		

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**Bold** – Key Decision      Non-Bold – Non-Key Decision      *Italics* – Performance/Monitoring Report

<b><u>Medium Term Financial Strategy 2017-2021</u></b>  To consider, and if agreed, to recommend to Council the Medium Term Financial Strategy for 2017/18.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny, 02/02/17	None		
<b><u>Treasury Management Strategy 2017/18</u></b>  To consider, and if agreed, to recommend to Council the Treasury Management Strategy for 2017/18.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny Committee, 02/02/17	None		
<b><u>Capital Strategy 2017-2022</u></b>  To consider, and if agreed, to recommend to Council the Capital Strategy for the period between 2017 to 2022.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny Committee, 02/02/17	None		
<b><u>Revenue Budget 2017/18</u></b>  To agree the recommendations to be made to Council on the 2017/18 Revenue Budget, including setting the Council Tax.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny Committee, 02/02/17	None		
<b><u>Local Welfare Provision</u></b>  To approve the Local Welfare Provision scheme for 2017/18.	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<b><u>References from Overview &amp; Scrutiny</u></b>  <i>To consider any recommendations from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None		

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**Bold** – Key Decision      Non-Bold – Non-Key Decision      *Italics* – Performance/Monitoring Report

<u>Notification of Forthcoming Decisions</u>  <i>To endorse the published Notification of Decisions.</i>	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None		
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