

Date of issue: Friday, 27 January 2017

MEETING:	CABINET 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
DATE AND TIME:	MONDAY, 6TH FEBRUARY, 2017 AT 6.30 PM	
VENUE:	VENUS SUITE 2, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF	
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	NICHOLAS PONTONE 01753 875120	

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.



ROGER PARKIN
Interim 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 23rd January 2017	1 - 8	
3.	Financial Report - Month 9 2016-17	9 - 28	All
4.	Treasury Management Strategy 2017-18	29 - 56	All
5.	Capital Strategy: 2017/2023	57 - 70	All
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7.	Reference from the Audit & Corporate Governance Committee - Risk Management Strategy	127 - 148	All
8.	Regulation of Investigative Powers Act (RIPA) Revised Policy and Activity Report	149 - 188	All
9.	Slough Basin Option Report	189 - 196	Central
10.	References from Overview & Scrutiny	197 - 202	All
	<ul style="list-style-type: none">• <i>NCS Scrutiny Panel, 17th January 2017 – Slough Road Network: Alternative Provisions to Market Lane.</i>		
11.	Notification of Forthcoming Decisions	203 - 214	All

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. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings. 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, 23rd January, 2017.

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

Also present under Rule 30:- Councillors Shah, Swindlehurst and Wright

Apologies for Absence:- None.

PART 1

92. Declarations of Interest

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

93. Minutes of the Meeting held on 19th December 2016

Resolved – That the minutes of the meeting of the Cabinet held on 19th December 2016 be approved as a correct record.

94. Five Year Plan 2017-2021

The Head of Policy, Partnerships & Programmes introduced a report requesting the Cabinet to recommend approval of the refreshed Five Year Plan 2017-2021 to full Council on 31st January 2017.

The Five Year Plan was the high level strategic plan for Slough that set out the opportunities, challenges and priority outcomes against which resources would be allocated. An in depth review had been carried out, including working with the Leader and Cabinet to define their political priorities as reflected in the priority to 'put people first' and a wider theme of engagement. The number of outcomes had been reduced from eight to five, combining some where there was overlap, and removing others where they were more about ways of working rather than tangible outcomes. An annual report would be produced to check progress and ensure accountability, alongside the quarterly reporting process to the Cabinet and Overview & Scrutiny Committee.

Commissioners welcomed the streamlined, more focused plan and highlighted the importance of both aligning the priorities with the Council's financial resources and ensuring effective performance management arrangements were put in place. A number of other issues were discussed including the progress of the digital strategy and how delivery could be achieved at a time of reduced Government funding and other financial pressures.

Speaking under Rule 30, Councillor Swindlehurst commented on the explicit removal of the town centre as a priority outcome following the combination of the current outcome 1, relating to Slough as a business destination, and outcome 3 on the centre of Slough. It was responded that bringing these

Cabinet - 23.01.17

outcomes together was intended to reduce duplication and increase focus to support these priorities across Council departments. Progress would be monitored and reported through the combined Outcome 5.

At the conclusion of the discussion, the Cabinet agreed to recommend to full Council that the refreshed Five Year Plan 2017-2021 be approved.

Recommended – That the Council agree to the refresh of the Five Year Plan attached as Appendix A to the report.

95. Financial Report - Month 8 2016-17

The Commissioner for Finance & Strategy and Assistant Director Finance & Audit introduced a report setting out the forecast financial information to the end of November 2016.

The revenue over spend had been reduced by 42% from £1.596m the previous month to £0.917m, primarily due to an improvement in the position for Assets, Infrastructure and Regeneration due to increased income. There remained significant pressures in the adult social care and temporary accommodation budgets due to increased demand and work was continuing to address these issues. The Housing Revenue Account (HRA) position was broadly unchanged with a surplus of £0.396m. The consolidated capital programme continued to improve and the current forecast was to spend 84% of the £135m capital programme.

The Cabinet welcomed the progress that had been made since the previous month in beginning to reduce the over spend to a level below the comparable position in 2015/16. Commissioners discussed the plans in place to further reduce the over spend and the Assistant Director indicated that he was confident the over spend would be brought back into line with budget by the end of the financial year.

Speaking under Rule 30, Councillor Swindlehurst commented on the revenue forecast position related to previous years once children's service care over spends were removed. He expressed concern about persistent failure to control expenditure in adult social care and the impact it could have being carried forward into future years budgets.

The Cabinet noted the current revenue, capital and HRA forecasts and considered and approved the write off requests detailed in section 9 of the report.

Resolved –

- (a) That the current financial forecast at Month 8 and the ongoing work by departments to reduce the over spend be noted.
- (b) That the write off requests detailed in the section 9 of the report be approved.

96. Performance & Projects Report: Q2 2016/17

The Assistant Director Finance & Audit introduced a report providing the Cabinet with performance information, balanced scorecard indicators and an update on key projects to the end of the second quarter of 2016-17. The report had been split from the regular financial updates and re-styled to provide a more strategic and accessible summary of performance trends and issues.

The only two balanced scorecard indicators with a 'Red' RAG rating both related to 'excess weight' for primary school children and the Cabinet noted some of the steps the Council was taken with its partners to address this issue. Three Gold Projects had an overall 'Red' RAG status – Agresso implementation, Environmental Services contract procurement and the delivery of major transport schemes. The report set out a number of key achievements during the reporting period including the opening of The Curve, completion of the first Council homes by Slough Urban Renewal on Ledgers Road, over 4,000 streetlights converted to LED lamps and additional CCTV and reassurance activities in Salt Hill Park.

Commissioners asked questions and discussed a number of specific performance issues raised in the report including childhood obesity and early years education. The new style report format was welcomed and it was noted that performance would be closely monitored both by Cabinet and the Overview & Scrutiny Committee. Speaking under Rule 30, Councillor Swindlehurst commented on the steps the Cabinet was taking to ensure delivery of Outcomes 3 and 6 of the Five Year Plan relating to the centre of Slough and people managing their own health, care and support needs. At the conclusion of the discussion, the report was noted.

Resolved – That the Council's current performance as measured by the indicators within the balanced scorecard and update on Gold projects and performance be noted.

97. HRA Rents and Service Charges 2017/18

The Commissioner for Finance & Strategy introduced a report that presented the changes in housing rents and service charges for 2017-18 and asked that they be recommended to full Council on 31st January 2017.

It was proposed that Council house dwelling rents would decrease by 1% from Monday 3rd April 2017 in line with Government policy and that garage rents, heat, utility, ancillary charges and service charges rise by 2% based on the September inflation figure. In response to a question from a Commissioner, it was noted that the average tenant would pay £1.04 less per week in rent and 5 pence more in service charges, a net reduction of 99 pence per week.

After due consideration, the Cabinet agreed to recommend the proposed rent and service charges to full Council.

Recommended –

- (a) That Council house dwelling rents for 2017/18 decrease by 1% over the 2016/17 rent with effect from Monday 3rd April 2017, in line with current government guidelines and legislation.
- (b) That garage rents, heating, utility and ancillary charges increase by 2.0% with effect from Monday 3rd April 2017, based upon the September RPI figure.
- (c) That service charges increase by 2.0% with effect from Monday 3rd April 2017, based upon the September RPI figure.
- (d) That 'other committee' property rents increase by an average of 2.0% from Monday 3rd April 2017 in line with the September RPI figure.

98. Set up and Governance of Local Authority Controlled Company (LACC) for Environmental Services

The Commissioner for Highways & Transport introduced a report which sought Cabinet approval to take the next steps necessary to set up a Local Authority Controlled Company (LACC) for Environmental Services following the Cabinet decision of 19th September 2016 to insource the service. The report detailed the governance arrangements and sought confirmation that the LACC be a company limited by shares which would be wholly owned by the Council.

The Waste and Environment Manager provided Commissioners with a comprehensive overview of the proposed governance arrangements, organisational structure, requirements of a Teckal exemption, responsibilities for management of the LACC and recruitment and/or secondment into certain roles. Cabinet approval would ensure that the company could be activated by 1st April 2017 so the preparatory steps could be undertaken to deliver the statutory duties via a Teckal exemption from 1st December 2017.

The Cabinet discussed a range of issues including the potential savings to be achieved by insourcing and the commercial opportunities open to the company. The projected savings were detailed in the report to Cabinet in September and were estimated to be £950k without profit. There were a range of commercial opportunities in the market which it would be a priority for the commercial director to explore. Commissioners considered the risks of insourcing and were assured that there was a robust process to identify, profile and manage risks. Asked about the possibility of a two-tier workforce, it was reported that detailed planning on issues such as human resources and finance was the next step following the set up of the company and further reports would be considered by the Cabinet in due course. The Council was working with the unions and the Amey board to achieve a smooth transfer. Assurance was sought that the Council was on track to begin delivery from 1st December 2017. It was confirmed that this was the case and that the option to extend the current contract was a necessary contingency.

Speaking under Rule 30, Councillor Swindlehurst highlighted concern about the insourcing of a number of risks to the Council that currently resided with the outsourced provider including industrial relations; commercial opportunities in the trade waste market; and management expertise and capacity. The comments were noted.

At the conclusion of the discussion, the recommendations were approved.

Resolved –

- (a) That officers be instructed to commence the set-up of the new LACC.
- (b) That the proposed governance arrangements and responsibilities for management of the LACC and proposed organisational structure both for the Council and LACC be approved.
- (c) That the recruitment and / or secondment into the roles identified through the headline proposed governance arrangements and structure for management of the LACC be approved.
- (d) That the LACC corporate structure be confirmed as a company limited by shares (CLS).

99. Repairs, Maintenance & Investment (RMI) Contract - Progress Update

The Commissioner for Housing & Urban Renewal and the RMI Project Manager introduced a report that updated the Cabinet on the progress made in recommissioning the repairs, maintenance and investment services and sought approval to delegate authority to the Interim Chief Executive to appoint the preferred bidder.

The Cabinet noted the procurement process that had been undertaken to deliver the preferred model of a strategic partnership arrangement between the Council and a service provider. The objective would be to provide an innovative service that produced a social return on investment; made greater use of technology and digital media to make services more accessible to residents; and improve the collection and use of data to provide a responsive service. There were three providers engaged in Stage 2 of the competitive dialogue process and there had been extensive involvement of Members and key stakeholders. The call for final tenders would now be issued on 10th February, not 27th January as stated in the report.

Commissioners welcomed the thorough and comprehensive process undertaken, including the involvement of Members, and discussed the next steps set out in Appendix B to the report, including the delegation to the Interim Chief Executive to appoint the preferred bidder. The anticipated benefits to residents, particularly in terms of customer service, were discussed. In response to questions, it was confirmed that the service provider would be based in Slough; a specialist project manager for IT would

be in place throughout mobilisation; that a clear performance framework would be implemented; and that the three Neighbourhood Forums would provide an opportunity to engage residents and partners in both service performance and community projects.

Speaking under Rule 30, Councillor Swindlehurst welcomed the process undertaken and highlighted the importance of ongoing Member engagement. Clarification was sought and provided on the involvement of the RMI Project Board prior to the final sign off.

At the conclusion of the discussion, the Cabinet noted the progress report and agreed to delegate authority to the Interim Chief Executive to appoint the preferred bidder, following consultation with the relevant Commissioner.

Resolved –

- (a) That the progress made be noted; and
- (b) That in order to meet the procurement timetable and section 20 consultation requirement and to allow the Council the optimum mobilisation period to work together with the new Service Partner, that the Interim Chief Executive, as Project Sponsor, be granted delegated authority, following consultation with the Cabinet Member for Housing and Urban Renewal, to appoint the Preferred Bidder following evaluation of final solutions from the 3 Bidders.

100. One Public Estate - Authority & Governance for participation in the Berkshire Property Partnership

The Commissioner for Housing & Urban Renewal introduced a report regarding the Council's participation in the Berkshire Property Partnership as part of the One Public Estate (OPE) programme which aimed to work with other public bodies to better manage assets.

The Cabinet noted the background to the OPE programme, the planned projects in Slough and considered the governance arrangements for the Council's participation in the Berkshire Property Partnership as detailed in the report and appendix. The Slough locations included in the bid were the hub sites at Trelawney Avenue, Wentworth Avenue and the former Centre site on Farnham Road.

Speaking under Rule 30, Councillor Swindlehurst asked about the wider benefits over and above the already identified projects. It was noted that there were also opportunities from the Area Based Reviews. The Council's match funding contribution could be in-kind such as officer time.

After due consideration, the Cabinet agreed the recommendations as set out in the report.

Resolved –

- (a) That the Terms of Reference for the Berkshire Property Partnership, at Appendix A to the report, be agreed.
- (b) That the release of any necessary funds to support its requirements and obligations to participate in the OPE programme be agreed; noting that such funding will be delivered as a “consideration” under the terms of the agreement and will be contained within existing budget projections.
- (c) That the Interim Chief Executive may delegate to his representative on the working Partnership, authority to make decisions supporting the programme delivery in accordance with the Terms of Reference.

101. References from Overview & Scrutiny

There were no references from Overview & Scrutiny.

102. Notification of Forthcoming Decisions

The Cabinet noted the Notification of Decisions from 1st January to 31st March 2017 which had been published on 23rd December 2016. An updated version had since been published and was available on the Council’s website. It was noted that the Housing Strategy would now be considered by Cabinet in March and Council in April 2017. A reference had been received from the Neighbourhoods & Community Services Scrutiny Panel related to the closure of Hollow Hill Lane and this would be considered by the Cabinet on 6th February 2017.

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

103. 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.

104. Part II Minutes - 19th December 2016

Resolved – That the Part II minutes of the meeting of the Cabinet held on 19th December 2016 be approved as a correct record.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.17 pm)

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

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

WARD(S): All

PORTFOLIO: Councillor Munawar, Commissioner for Finance & Strategy

PART I
NON-KEY DECISION

FINANCIAL REPORT – MONTH 9 2016-17

1 **Purpose of Report**

- To provide Cabinet with the Month 9 (December) forecast financial information for the 16-17 financial year.
- To approve the write offs contained within this report

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

The Cabinet is requested to resolve:

- (a) That the current financial forecast and the ongoing work by departments to reduce the over spend be noted.
- (b) That the write offs contained in section 9 of the report be approved.

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

Risk	Mitigating action	Opportunities
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

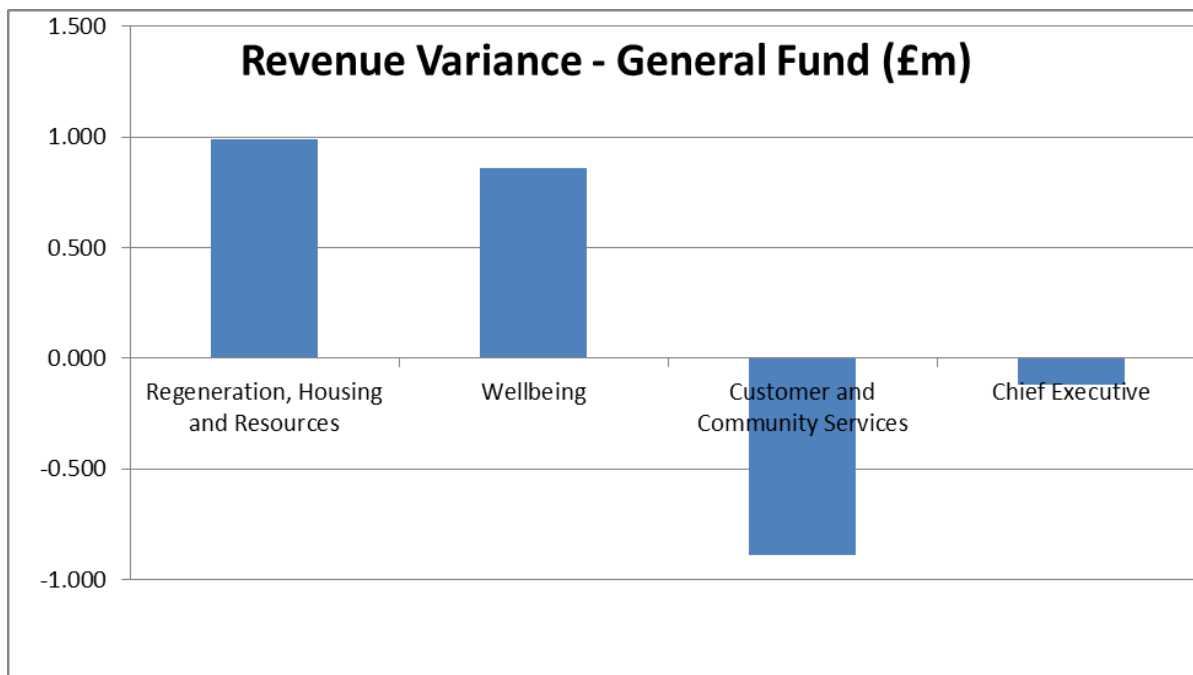
5 **Key Messages**

5.1 **Revenue – Forecast Outturn**

5.1.1 The Council is forecasting an over spend of **£0.837m** as at Month 9 (December) after allowing for additional funding sources. The financial position has reduced from the position reported in Month 8 (November), when the Council was forecast to over spend by **£0.917m**.

5.1.2. There has been a continued reduction in the forecasted overspend during Month 9. 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 9 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
HRA Expenditure	37,102	36,642	(460)
<i>Tenant Services</i>	2,187	1,821	(366)
<i>Neighbourhood Housing Areas North/South/East/Resilience</i>	1,228	1,228	0
<i>Arears & Investigation</i>	511	511	0
<i>Tenant Participation</i>	270	270	0
<i>Housing Allocations/Lettings</i>	164	164	0
<i>Leaseholder Team</i>	249	249	0
<i>Housing Repairs</i>	8,500	8,500	0
<i>Management & Services</i>	5,309	5,215	(94)
<i>Loans and Bad Debt</i>	6,378	6,378	0
<i>Funding Of Capital Projects (RCCO)</i>	12,306	12,306	0
HRA Income	(37,038)	(37,038)	0
<i>Dwelling Rents</i>	(32,730)	(32,730)	0
<i>Garage Rents</i>	(489)	(489)	0
<i>Shop Rent</i>	(660)	(660)	0
<i>Other Rents e.g Ground, Wayleaves, Land</i>	(474)	(474)	0
<i>Leaseholder Service Charges Income & Chargeable Works</i>	(726)	(726)	0
<i>General Service Charges</i>	(1,934)	(1,934)	0
<i>Interest</i>	(25)	(25)	0
Total Operating Budget	64	(396)	(460)

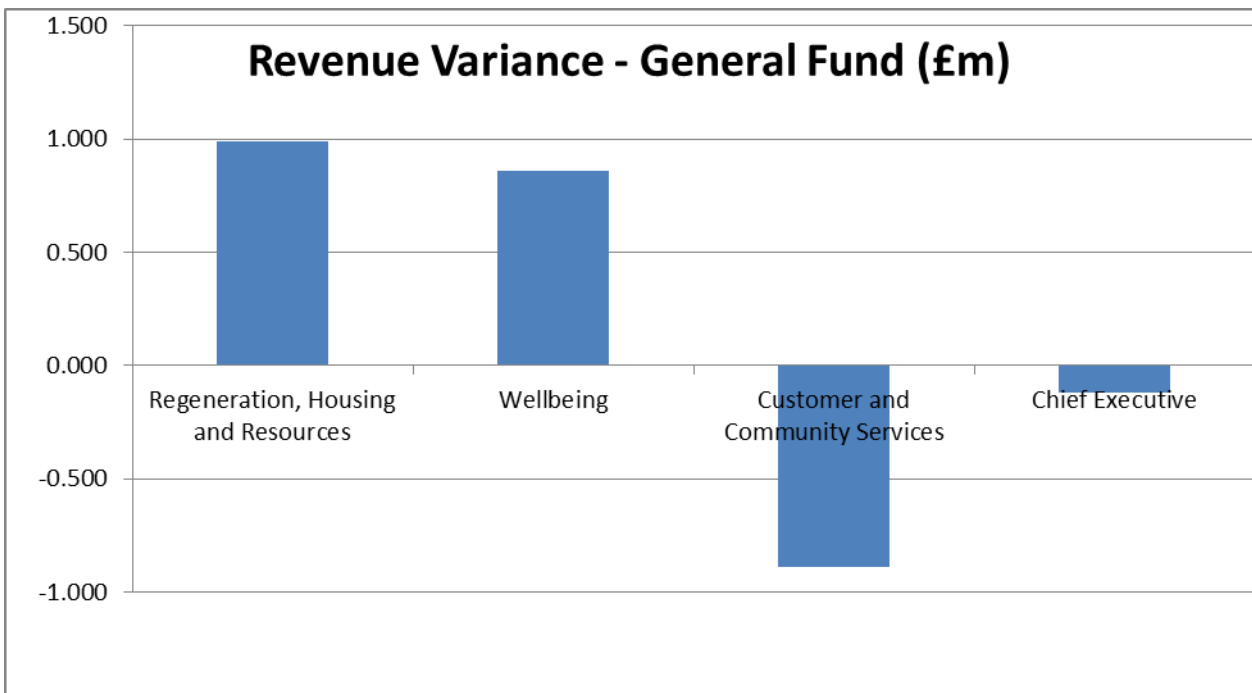
5.3 Capital – Forecast Outturn

5.3.1 The overall consolidated capital programme (including the HRA and general Fund) for 2016/17 is £133.794m. As at the end of period 9 the forecast net outturn has increased over the past month to £119.411m. The net variance is therefore £14.383m (11%). This is explained further in paragraph 7.

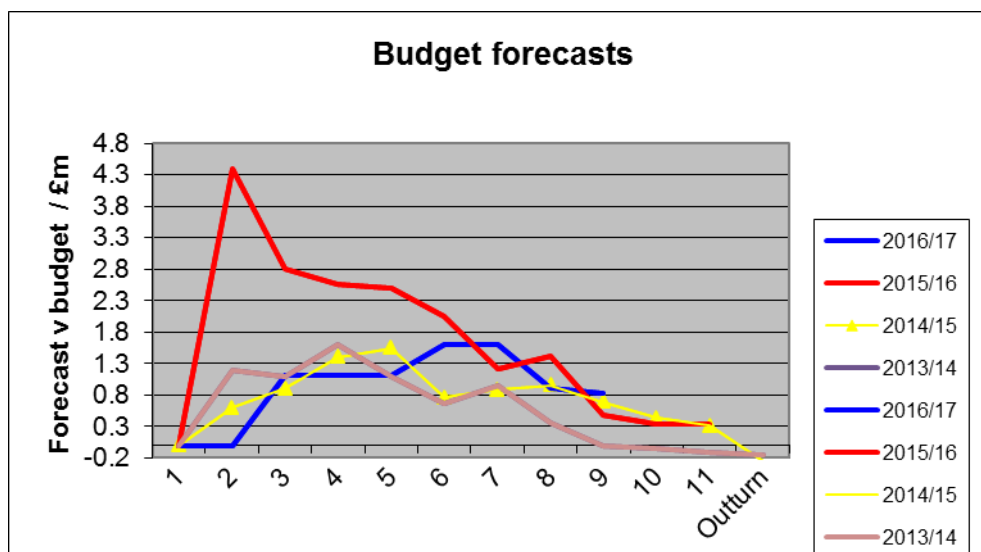
Executive Report

6 Revenue Expenditure

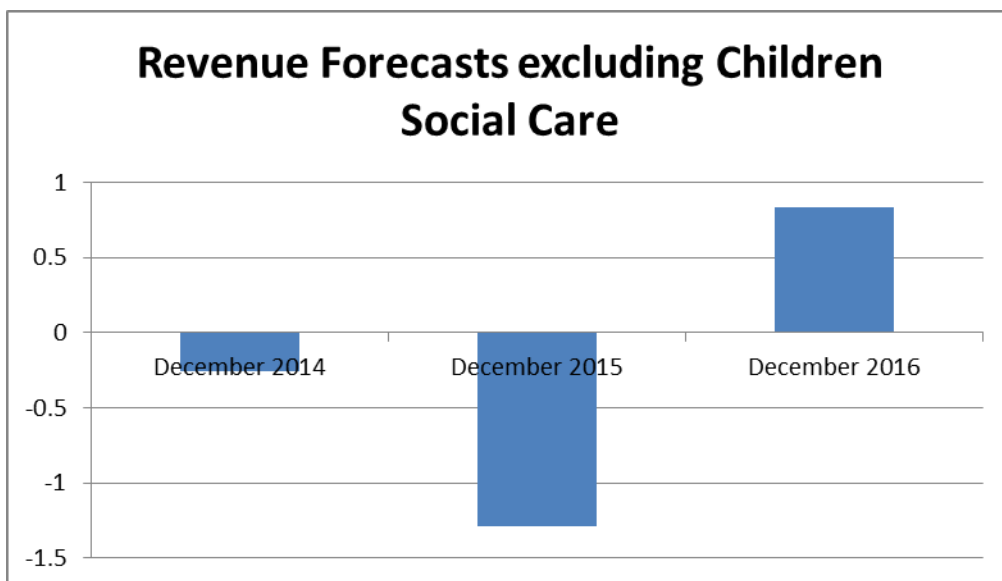
6.1 Period 9 Forecast Outturn by Directorate



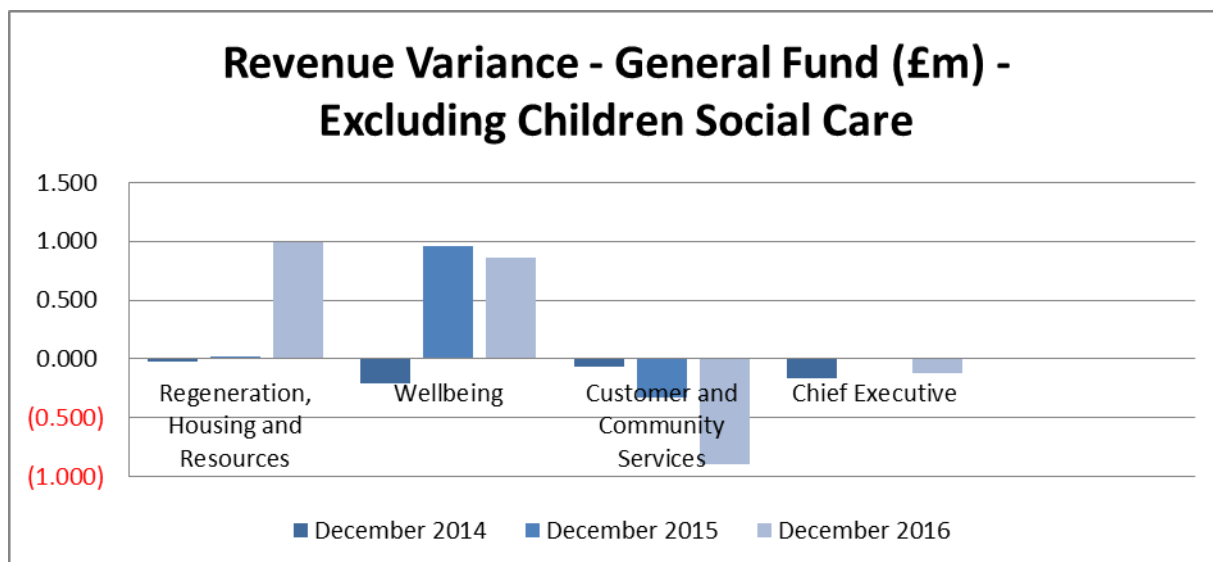
6.2 The table above shows the variances expected in each directorate. The budget forecasts compared to previous years can be seen below.



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 3 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 £0.837m as at Month 9 (December). The month 8 budget monitor report was forecasting an over spend of £0.917m 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 but has been reduced down to an expected £0.859m by year end. The Department continues to try to contain the costs within existing budgets but there are some savings initiatives shown below in the report that are underway but not yet fully achieved. The service is scrutinising all areas of expenditure such as agency costs and imposing spend restrictions

where possible. Other areas within the directorate are being 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), Public Health grants and possible Invest to Save initiatives.

- 6.4 Assets, Infrastructure and Regeneration continues to forecast an under spend of £27k as at the end of month 9, the same as at the end of period 8. There remains a £710k pressure within the asset acquisitions programme. The ability to meet the annual income target is dependant on income generating assets becoming available within the strict criteria approved by Cabinet. Asset management continues to explore the potential to make further acquisitions within the current financial year which will reduce the pressure. An increased volume of work on capital projects, mainly in respect of schools and leisure, has generated additional income which can be used to offset against the cost of two additional project managers. This equates to a saving of £587k. The movements can be seen in the table below.

	£000s
Overspends	
Assets, Infrastructure and Regeneration – Asset Acquisition Income	710
Savings	
Assets, Infrastructure and Regeneration – Partnerships and Contracts additional income generation	(587)
Assets, Infrastructure and Regeneration – Concessionary Travel	(150)
TOTAL	(27)

- 6.5 The RHR - Housing and Environment service is forecasting a higher projected over spend of £1,015k in this service area. The past month has seen this overspend increase from £873k due to the inclusion of a corporate pension adjustment which is currently being examined. Although the number of homeless households having to be placed in temporary accommodation has almost doubled when compared to budgeted levels, officers have been working hard to seek to contain costs via working on securing long term “family” accommodation and the setting up of Slough Homes to provide a secure supply of “cheaper” accommodation – it is expected that the benefits of these initiatives will be seen in future monitoring reports. There is also a net pressure of £68k due to a reduced profit share received from the environmental services contract.

	£000s
Housing and Environment Overspends	
Temporary accommodation	947
Environmental Services – lower profit share received	68
TOTAL	1,015

6.6 Within the Customer and Community Services directorate there has been little change since last month. A saving of £891k 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 previous pressure of £288k on the leisure services budget within the estates and Regeneration Division, associated with the decision on the temporary ice rink has been reviewed and this is now likely to be £37k. The directorate's current position can be summarised as follows.

	£000s
Customer and Community Services	
Learning and Community	(530)
Wellbeing and Community	37
Improvement and Development	(81)
Transactional Services	0
Contracts/Commissioning and Procurement	(333)
TOTAL	(891)

6.7 All services continue to work on their published action plans to ensure that all overspends and pressures are reduced further and a break even position is achieved by the year end. The current forecasted outturn can be seen in Appendix A.

7 Capital Expenditure

7.1 As mentioned above the Council expects to spend 89% of the total capital programme by the end of the 2016/17 financial year. The analysis of this spend as at Month 9 is as follows.

	Revised 16-17 Budget	Actual December 2016	Projected Outturn	Slippage %
Directorate	£000s	£000s	£000s	£000s
Resources	58,354	21,441	63,883	-9%
Education and Wellbeing	20,382	18,662	18,706	8%
Customer & Community Services	27,148	6,697	14,312	47%
Chief Executive	33	0	24	27%
Housing Revenue Account	17,957	10,105	17,101	5%
Affordable Housing	9,920	3,256	5,385	46%
Total	133,794	60,185	119,411	11%

7.2 The Complete GF capital Programme can be seen in Appendix B

8 Virements

8.1 There have been no Virements during period 9.

9 Write Offs

9.1 A net total of £592k of has been written back onto accounts during period 9 (December). Whilst there were some write offs of both NNDR (£36k) and Housing Benefit (£53k) debt there was £707k of council tax credits written back into accounts during the period. These credit balances have been investigated as far as possible and no trace of persons or alternative debts have been found. The write backs and offs across the council's services for period 9, including the reason, can be summarised as follows. They are requested for approval.

Reason	NNDR	Council Tax	Former Tenant Arrears	Housing Benefits	Total
	Value £	Value £	Value £	Value £	Value £
Unable to trace / Absconded	24.66			16,021.73	16,046.39
Vulnerable persons			748.58	105.50	854.08
Deceased			5,947.60	17,751.18	23,698.78
Statute Barred / Unable to Enforce			18,168.64	6,690.77	24,859.41
Bankruptcy				9,261.19	9,261.19
Nulla Bona (Returned from Bailiff)					
Dissolved / Proposal to Strike / Liquidation / Receivership / Administration	25,706.35				25,706.35
Misc. (incl uneconomical to pursue)	10,626.45		1,501.23	3,136.26	15,263.94
Credit Balances	-103.20	-707,559.93			-707,663.13
	36,254.26	-707,559.93	26,366.05	52,966.63	-591,972.99

10 Conclusion

10.1 The Council overspend is currently forecast to be £0.837m at year end. This is a reduction of £80K during period 9. The Council remains committed to delivering services on budget during 2016/17 and a break even position is expected at year end.

11 Appendices Attached

- 'A' - Summary revenue forecasts
- 'B' - GF Capital Programme

12 Background Papers

- '1' - Supporting working papers held in finance

Period 8

Directorate	Net Current Budget	Projected Outturn	Variance: Over / (Under) Spend	Variance: Over / (Under) Spend
	£'M	£'M	£'M	£'M
<u>Wellbeing</u>				
Adult Social Care and Health Partnerships	31.051	31.910	0.859	1.000
Children, Young People and Families Services	29.253	29.253	0.000	0.000
Central Management	0.424	0.424	0.000	0.000
Public Health	(0.435)	(0.435)	0.000	0.000
Total Wellbeing	60.294	61.153	0.859	1.000
Total Schools	(0.337)	(0.337)	0.000	0.000
Total Wellbeing and Schools	59.957	60.816	0.859	1.000
<u>Customer and Community Services</u>				
Community and Skills	2.596	2.066	(0.530)	-0.530
Wellbeing & Community	3.052	3.089	0.037	0.037
Planning and Building Control	0.551	0.536	(0.015)	-0.015
Enforcement and Regulation	1.174	1.164	(0.010)	-0.019
Improvement and Development	0.407	0.359	(0.048)	-0.048
Transactional Services	7.778	7.778	0.000	0.000
Contracts, Commissioning & Procurement	1.752	1.427	(0.325)	-0.325
Total Customer and Community Services	17.310	16.419	(0.891)	-0.900
<u>Regeneration, Housing and Resources</u>				
Strategic Management	0.160	0.160	0.000	0.000
Corporate Resources	0.006	0.006	0.000	0.000
Housing and Environment	14.419	15.434	1.015	0.873
Assets, Infrastructure and Regeneration	8.483	8.456	(0.027)	-0.027
Total Regeneration, Housing and Resources	23.068	24.056	0.988	0.846
<u>Chief Executive</u>				
Chief Executive	0.342	0.342	0.000	0.000
Strategic Policy & Communication	2.222	2.222	0.000	0.000
Professional Services	1.281	1.162	(0.119)	-0.029
Total Chief Executive	3.845	3.726	(0.119)	-0.029
Total Corporate	(0.445)	(0.445)	0.000	0.000
Total General Fund	103.734	104.571	0.837	0.917
% of revenue budget over/(under) spent in total			0.8%	0.009

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Appendix B

2016-17 spend against approved revised budget – General Fund

<i>Cost Centre</i>	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
	Education Services						
P051	Primary Expansions (Phase 2 for 2011)	7,829	6,028	7,829	0	0%	
P076	Town Hall Conversion	5,000	2,023	5,000	0	0%	Some slippage. Expected to be completed later in 17-18 than originally expected
P093	Schools Modernisation Programme	1,458	1,169	1,458	0	0%	
P101	SEN Resources Expansion	600	366	600	0	0%	
P749	Children's Centres Refurbishments	40	15	40	0	0%	
P783	Schools Devolved Capital	142		142	0	0%	
P856	Haymill/Haybrook College Project	10	0	10	0	0%	
P673	DDA/SENDA access Works	50	0	50	0	0%	
	Youth/Community Centres Upgrade	25	0	25	0		Taken out due to low prioritisation matrix
P123	2 year old expansion programme	314	171	314	0	0%	
P153	Special School Expansion- Primary, Secondary & Post 16	680	177	680	0	0%	Programme moved from being completed in 17-18 to 18-19
P142	Children's Centres IT	18	14	18	0	0%	
P131	School meals provision	135	0	135	0	0%	
P095	Secondary Expansion Programme	630	178	630	0	0%	Part of programme slipped to 17-18, with further significant build increases anticipated to 2020-21
	PRU Expansion	20	0	20	0	0%	Programme now expected to be completed in 18-19 rather than 18-19
P146	Arbour Park	0	8,521	0	0	#DIV/0!	Now monitor with P145 in Customer and Community services
	Total Education Services	16,951	18,662	16,951	0		

<i>Cost Centre</i>	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
	Customer & Community Services						
P083	Cemetery Extension	1,521	1	762	(760)	-50%	There will be spend this year – just awaiting quotes, although project will not be completed in 16-17. Say 50% this year and rest in 17-18
P107	Repairs to Montem & Ice	104	37	75	(29)	-28%	
P873	Crematorium Project	2,360	1,322	2,860	500	21%	Approx £500 overspend expected
P145/P161	Financial System Upgrades	1,164	1,378	1,378	214	18%	
P088	Baylis Park Restoration	318	353	353	35	11%	No longer required - completed
P089	Upton Court Park Remediation	3		0	(3)	-100%	No longer required - completed
P124	Salt Hill Park	54	0	54	0	0%	Green Gym will be completed by end of year
TBA	Bloom Park Regeneration Project	0		0	0	#DIV/0!	To start in 17/18
P105	Civica E-Payment Upgrade	20		0	(20)	-100%	completed
P784	Accommodation Strategy	121	164	164	43	36%	completed
	Expansion of DIP Servers	150	150	150	0	0%	Project has been completed - bills not yet in from avarto – but all spend will be taken up by the end of March
	IT Disaster Recovery	821	821	821	0	0%	Project has been completed - bills not yet in from avarto – but all spend will be taken up by the end of March
	Cippenham Green	500		0	(500)	-100%	No longer required
	Hub Development	200		100	(100)	-50%	£100k slipped to 17/18
TBA	Chalvey Transfer Station					#DIV/0!	to be spent in 17/18
TBA	Big Belly Bins	0	0	0	0	#DIV/0!	Green Gym will be completed by end of year
P578	Digital Transformation programme phase 1	165		165	0	0%	to be spent 16/17
TBA	Mayrise Insourcing	56		56	0	0%	156k total £100k in 17/18
TBA	CAFM System	0					to be spent in 17/18
P084	IT Infrastructure Refresh	310	256	310	0	0%	

<i>Cost Centre</i>	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
P084	Replacement of SAN	148		148	0	0%	Project has been completed - bills not yet in from avarto – but all spend will be taken up by the end of March
P871	Community Investment Fund	1,011	190	190	(821)	-81%	
P875	CCTV Relocation	77	15	77	0	0%	
P162	Community Leisure Facilities	150	0	200	50	33%	
TBA	Langley Leisure Centre						To start in 17/18
P146	Arbour Park Community Sports Facility	9,245		3,076	(6,169)	-67%	Now monitor with P146 in Education Services
P165	Leisure Centre Farnham Road	5,100	1,427	780	(4,320)	-85%	Slipped into 17-18
P164	New Ice	3,550	583	2,593	(957)	-27%	Slipped into 17-18
	Total Customer & Community Services	27,148	6,697	14,312	(12,837)		
<i>Cost Centre</i>	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
	Community and Wellbeing						
P331	Care Act: Social Care IT Developments	332	0	80	(252)	-76%	Covers three main projects for delivering flexible working and IT support for implementing the Care Act. All projects going ahead, but have slipped from being substantially delivered in 16-17, to 17-18 and 18-19
P723	DAAT Service Reprovision	500	0	500	0	0%	Expected to be spent in 16-17
P577	Learning Disability Change Programme	900	0	300	(600)	-67%	£600k cost in 16-17 slipped to 17-18
P133	Extra Care Housing	849	0	25	(824)	-97%	Little activity expected in 16-17. Project now expected to delivered two years later than originally intended.
TBA	Children's Trust - Invest to Save	850		850	0	0%	Money will be spent this financial year - awaiting invoices from arvato. If there is a carry over it will be small – so have not prioritised on this basis
	Total Community and Wellbeing	3,431	0	1,755	(1,676)		

<i>Cost Centre</i>	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
	Chief Executive						
P109	Superfast Broadband	33	24	24	(9)	-27%	No further spend expected. Completed
	Total Chief Executive	33	24	24	(9)	(0)	
	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
	Resources, Housing and Regeneration						
P006	Disabled Facilities Grant	840	127	364	(476)	-57%	Budget should have been £364. Included BCF revenue element erroneously
P068	Street Lighting Improvement Phase 2	0	(75)	0	0	#DIV/0!	All under P160
P069	Highway & Land Drainage Improvements	26	36	57	31	119%	Not grant funded - all completed 16-17
P079	Catalyst Equity Loan Scheme	27	0	0	(27)	-100%	Historic - no spend expected
P066	The Curve	1,189	1,837	1,837	648	54%	
P128	Corporate Property Asset Management	250	186	250	0	0%	
P111	Major Highways Programmes	854	605	845	(9)	-1%	
P160	Major Highways Programmes	4,602	5,539	4,602	0	0%	70% funded by DFT. 30% SBC. Also administer spend for Wokingham and Reading which is fully refunded.
P728	Highway Reconfigure & Resurface	497	213	497	0	0%	
P869	Chalvey Hub	143	12	11	(132)	-92%	No further spend expected - complete
P881	Colnbrook By-pass	131	0	0	(131)	-100%	Programme slipped - will spend in 17-18

Cost Centre	Scheme Name	16-17 revised budget	Spend to Dec 2016	Forecast to year end	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
P127	Demolitions	320	80	600	280	88%	Several additional demolitions including Merrymaker, Lynchpin, Old Library to be completed by year end
P104	Stoke Poges Footbridge	410	0	124	(286)	-70%	£124k will be paid within the next month - remainder to be set off against an outstanding debt for Uxbridge Road and therefore not required
P116	Windsor Road Widening Scheme	0	22	22	22	#DIV/0!	Completed
P163	Purchase 81-83 High Street	685	567	685	0	0%	Completed by end of march
TBA	Pendeen Court	2,450		2,450	0	0%	To be completed 16/17 per NC
P149/P098	A332 Windsor Road Widening Scheme LEP/Other	6,173	550	1,000	(5,173)	-84%	£5,178 slipped to 17/18
P148	A355 Tuns Lane LEP Transport Scheme	6,528	39	6,000	(528)	-8%	Project completed, costs to be allocated by year end. Some currently shown under P144 £528k slipped to 17-18
P144	Slough MRT	4,130	6,865	4,130	0	0%	Costs include some P148
	Flood Defence Measures SBC/EA Partnership	100		0	(100)	-100%	Will not be spent in 16-17. Grant received, so move to 17-18
P135	Plymouth Road (dilapidation works)	305	13	120	(185)	-61%	£120k in 16-17 and 17-18
P137	Relocation of Age Concern	19	1	19	0	0%	To be completed 16/17
P155	Air Quality Monitoring	167	7	90	(77)	-46%	About 30% slipped to 17-18
P147	DEFRA Air Quality	24	0	18	(6)	-25%	
P661	Local Safety Scheme Programme	60	0	60	0	0%	
P060	Station Forecourt	15	1	1	(14)	-93%	No longer required
P064	Infrastructure	20	6	6	(14)	-70%	No longer required
P115	Bath Road Redevelopment	399	0	100	(299)	-75%	Reduced works, as now to be transferred to SUR - thus no further spend once completed.
	Northborough Park	250		0	(250)	-100%	No longer required
	Redevelopment of Thomas Grey Centre	2,050		0	(2,050)	-100%	Take out - now part of SEN project - reported in Education
P125	Electric Vehicle Network	200	0	0	(200)	-100%	Slipped into 17-18 and 18-19.
P170	Carbon Management-Fleet Challenge	600	0	90	(510)	-85%	Programme slipped but will go ahead.
P168	Re-fit Programme	75	0	75	0	0%	
	Car Club		0	0			

<i>Cost Centre</i>	<i>Scheme Name</i>	<i>16-17 revised budget</i>	<i>Spend to Dec 2016</i>	<i>Forecast to year end</i>	<i>Variance</i>	<i>Slippage</i>	<i>Comment</i>
		£'000	£'000	£'000	£'000	£'000	
P157	Burnham Station LEP	1,960	182	500	(1,460)	-74%	£1,450k slipped into 17-18
	Langley Station LEP	0		0	0	#DIV/0!	Business case being drawn for 17-18
P143	LAAP Mortgage Scheme	5,000	0	250	(4,750)	-95%	Scheme to be re-launched in the new year.
P152	Asset Condition Survey	150	74	65	(85)	-57%	
	LTP Implementation Plan	400		0	(400)	-100%	All slipped into 17-18
P172	TVU development	0	37	2,500	2,500	#DIV/0!	First payment in 16-17, then three further payments until Sept 19
P156	Strategic Acquisition fund	16,890	4,510	36,508	19,618	116%	Original budget of £25m granted. £8.1m spent 15-16. By end of 16-17 all of the £25m to be spent (i.e. £17m in year). Further £25m approval granted November 2016. £20m be spent in 16-17, and remainder carried forward (£5,382m).
P159	Hotel development	0	7	7			To start in 2018-19
TBA	Compulsory Purchase Order Reserve						Possible required in 17/18 if needed
TBA	Fire Risk Assessment						To start in 2017-18
TBA	A4 Cycle	415		0	(415)	-100%	To start in 2017-18
	Total RHR	58,354	21,441	63,883	5,522		
	Total	105,917	46,824	96,925	(9,000)		

Appendix B

2016-17 spend against approved revised budget – HRA

Cost Centre	Scheme name	16-17 revised	Spend to Dec2016	Forecast to year end	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
	Housing Revenue Account						

Decent Homes							
P544 (4601)	Boiler Replacement	1,001	1,483	1,483	482	48%	P544 monitored as a total
P544 (4602)	Heating / Hot Water Systems	320	440	440	120	38%	P544 monitored as a total
P544 (4603)	Insulation programmes	788	2,633	4,000	3,212	408%	P544 monitored as a total
P552A	Front / Rear Door replacement	66	337	337	271	411%	
P558A	Kitchen Replacement	2,158	218	218	(1,940)	-90%	All non urgent work stopped pending RMI renegotiation
P558B	Bathroom replacement	1,096		0	(1,096)	-100%	All non urgent work stopped pending RMI renegotiation
P558C	Electrical Systems	476		0	(476)	-100%	All non urgent work stopped pending RMI renegotiation
P559A	Roof Replacement	336	616	616	280	83%	All non urgent work stopped pending RMI renegotiation
P559B	Structural	152		0	(152)	-100%	
	Total Decent Homes	6,393	5,727	7,094	701		

Planned Maintenance - Capital							
P541	Garage Improvements	275	75	200	(75)	-27%	
P548	Mechanical Systems /Lifts	(74)	20	60	134	-181%	
P545	Capitalised Repairs	0	0	0	0		
P551	Security & Controlled Entry Modernisation	135	1	35	(100)	-74%	
P564	Darvills Lane - External Refurbs	0	0	0	0		
P565	Estate Improvements/Environmental Works	817	228	500	(317)	-39%	£217k slipped to 17/18
P569	Replace Fascias, Soffits, Gutters & Down Pipes	379	701	900	521	137%	Asbestos work drives demand. Overspent as a result.
P573	Upgrade Lighting/Communal Areas	128	167	270	142	111%	Moved £60k from Communal doors (P553 monitored together)

Cost Centre	Scheme name	16-17 revised	Spend to Dec2016	Forecast to year end	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
	Housing Revenue Account						
P573A	Communal doors	75		15	(60)	-80%	Moved £60k to lighting (P553 monitored together)
P573B	Balcony / Stairs / Walkways areas	130		0	(130)	-100%	(P553 monitored together)
P573C	Paths	130		0	(130)	-100%	(P553 monitored together)
P573D	Store areas	91		0	(91)	-100%	(P553 monitored together)
	Sheltered / supported upgrades	500		0	(500)	-100%	
	Total Planned Maintenance - Capital	2,586	1,192	1,980	(606)		

	Other						
P546	Environmental Improvements (Allocated Forum)	298	0	0	(298)	-100%	
P406	Stock Condition Survey	1,600	192	1,600	0	0%	
P407	Commissioning of Repairs Manitenance and Investment Contract	1,509	326	1,509	0	0%	
P405	Tower and Ashbourne	4,415	1,980	3,773	(642)	-15%	Anticipated spend includes 5 leases where the offer has been accepted but not completed or paid and 4 where they have not been accepted.
P547	Major Aids & Adaptations	167	91	156	(11)	-7%	
P575	Affordable Homes	9,920	3,256	5,385	(4,535)	-46%	
P779	Britwell Regeneration	989	597	989	(0)	0%	
	Total Other	18,898	6,442	13,412	(5,486)		

	TOTAL	27,877	13,361	22,486	(5,391)		
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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

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

WARD(S): All

PORTFOLIO: Councillor Munawar, Commissioner for Finance & Strategy

PART I
KEY DECISION**TREASURY MANAGEMENT STRATEGY 2017/18****1 Purpose of Report**

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

2 Recommendation(s)/Proposed Action

The Cabinet is requested to recommend to Council on 23rd February 2017 that the Treasury Management Strategy for 2017/18 be approved.

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

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

3b Five Year Plan Outcomes

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

4 Other Implications**(a) Financial**

The Financial implications are contained within this report.

(b) Risk Management

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

(c) Human Rights Act and Other Legal Implications

None Identified

(d) Equalities Impact Assessment

No identified need for the completion of an EIA

5 Supporting Information

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

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

6 Key Principles

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

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

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

7 Service Delivery and Performance Issues

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

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

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

8 Comments of Other Committees

The draft Treasury Management Strategy 2017/18 is due to be considered by the Overview and Scrutiny Committee on 2nd February 2017. Any comments will be reported to Cabinet.

9 Conclusion

The Cabinet is requested to recommend approval of the Treasury Management Strategy for 2017/18 to Council on 23rd February 2017.

10 Appendices Attached

'A' Treasury Management Strategy 2017/18

11 Background Papers

'1' CIPFA – Treasury Management in the Public Services – Code of Practice and guide for Chief Financial Officers

'2' CIPFA – Prudential Code for local authority capital finance

'3' Arlingclose Ltd – UK economic forecasts

'4' Local Government Act 2003

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SLOUGH BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY 2017/18

1 Introduction & Background

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

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

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

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

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

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

2 Key Principles

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

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

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

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

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

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

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

3 External Context

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

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

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

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

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

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

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

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

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

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

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

4 **Local Current Position**

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

Table 1: Balance Sheet Forecast

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

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

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

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

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

5 **Borrowing Strategy**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 2: Current Borrowing Position

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

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

208,871,364

6 **Housing Revenue Account Self-Financing**

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

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

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

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

7 Investment Strategy

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

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

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

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

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

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

Table 3: Approved Investment Counterparties and Limits

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

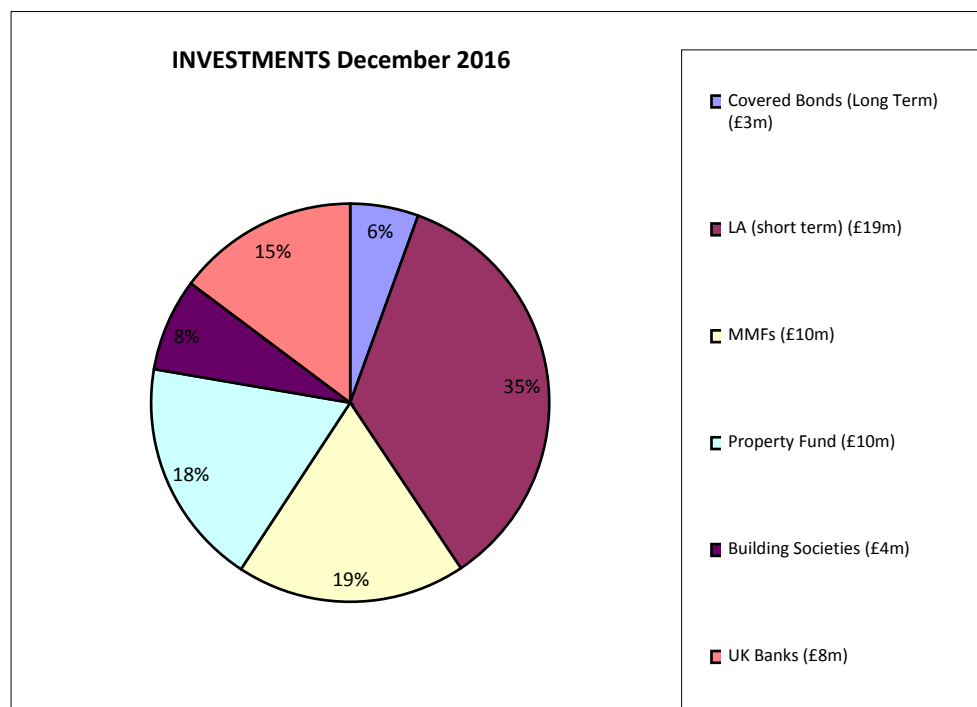
	3 years	4 years	10 years	4 years	10 years
A+	£15m 2 years	£15m 3 years	£15m 5 years	£5m 3 years	£5m 5 years
A	£15m 13 months	£15m 2 years	£15m 5 years	£5m 2 years	£5m 5 years
A-	£15m 6 months	£15m 13 months	£15m 5 years	£5m 13 months	£5m 5 years
BBB+	£5m 100 days	£5m 6 months	£15m 2 years	£2.5m 6 months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

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

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

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

Table 4: Current Investments



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

8 Investment Opportunities

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

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

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

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

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

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

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

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

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

9 **Risk Management**

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

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

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

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

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

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

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

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

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

Table 5: Non-Specified Investment Limits:

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

10

Investment Limits

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

Table 6: Investment Limits

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

11 Prudential Indicators

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

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

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

Table 5: Capital Programme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 MRP Statement 2017/18

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

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

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

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

The guidance suggests that:

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

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

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

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

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

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

Here, the Council has three broad options:

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

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

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

2016/17 policy

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

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

Capital expenditure incurred during 2017/18 would not be subject to a MRP charge until 2018/19.

Based on the Council's latest estimate of its Capital Financing Requirement on 31st March 2017, the budget for MRP has been set as follows:

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

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

13 Treasury Management Indicators

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

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

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

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

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

Mature Structure of Borrowing:

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

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

14 The purpose of the Strategic Asset Fund

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

How investments are decided upon

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

a) Property Investments

Under commercial investment objectives, a strategic acquisition would typically:

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

b) Regeneration

Under regeneration objectives, a strategic acquisition will typically:

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

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

How decisions are made

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

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

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

The SAB has a remit to:

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

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

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

Any controls in place

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

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

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

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

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

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

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

Acquisitions to date are:

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

15 Other Items

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

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

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

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

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

Investment of Money Borrowed in Advance of Need: The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

15 Other Options Considered

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

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

16 Ethical Investment Policy

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

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

Appendix A – Arlingclose Economic & Interest Rate Forecast November 2016

Underlying assumptions:

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

Forecast:

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

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

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

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

WARD(S): All

PORTFOLIO: Cllr. Sohail Munawar: Leader of the Council and Commissioner of Finance and Strategy

PART I
KEY DECISION**CAPITAL STRATEGY: 2017/23****1 Purpose of Report**

To request approval for capital strategy 2017 to 2023 and approval for the capital programme for 2017/18 to be implemented subject to the approval sufficient business cases

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That the capital strategy of **£297m** and the Minimum Revenue Provision is approved and Recommended to full Council.
- (b) That Cabinet notes the notional costs of borrowing for the capital programme to the revenue budget will be an increase of up to **£4.2m** per annum commencing during the period of the capital strategy to fund borrowing.
- (c) That Cabinet approves the principles underpinning the capital programme in paragraph 5.1.2 and the Minimum Revenue Provision principles in 5.6.
- (d) That Cabinet approves the appendices A and B detailing the capital programmes (subject to these having approved Final Business Cases by the Capital Strategy Board)

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

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

3b Five Year Plan Outcomes

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

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

4 **Other Implications**

(a) Financial: As detailed within the report.

(b) Risk Management

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

(c) Human Rights Act and Other Legal Implications

No specific legal implications arising from this report.

(d) Equalities Impact Assessment

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

5 **Supporting Information**

5.1 **Purpose**

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

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

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

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

5.2 Current Medium Term Financial Position

- 5.2.1 As detailed in the Council's Revenue Budget report 2017/18 the Council is facing a significant reduction in its anticipated financial resources. During this period the Council will face a number of demand and policy led pressures. Further details can be found within the revenue budget report for separate approval in February.
- 5.2.2 For there to be any net growth in the Council financed element of the capital strategy, the Council will need to increase the amount of revenue monies set aside to pay back potential future borrowing, or assume greater investment returns to mitigate the use of internal balances. As detailed within the Treasury Management Strategy, the Council will only borrow as a last resort once it has exhausted all other sources of funding; however, revenue monies need to be set aside to fund any additional borrowing costs otherwise the Council will not have sufficient resources to repay its borrowings if that occurs.
- 5.2.3 For the purpose of the 2017/18 financial year, the Council is assuming that internal balances will remain strong and that these will be utilised with additional treasury management returns picking up the cost of decrease investment balances.
- 5.2.4 The summarised capital programme has been provided below in table 1.1. This table highlights the key expenditure areas and the financing requirement for the capital programme over the period of the strategy. As noted in the introductory section of this paper, the Council's capital strategy is now over a five year period, and it is over this period that the Council needs to consider if additional borrowing will need to be undertaken. For example, if the first year showed a net cost of £10m but the subsequent four years showed £2.5m p.a. of net capital receipts, then the Council could take the decision not to borrow the £10m over the longer term, and finance the capital programme through short term borrowing initially that would be reduced by the net receipts coming into the capital programme.

Table 1.1 Summarised Capital Programme

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

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

5.2.6 Table 1.2 shows the cost of borrowing to finance the capital programme. The annual minimum required to be set aside for **£154m** of capital borrowing (given the main assets being build this would be over an assumed 25 year lifecycle) would equate to an increase in revenue cost of borrowing of **£1.4m** from 2017/18, rising to **£4.2m** in 2022/23 if the Council went out to borrow from the PWLB¹. As noted above, at present, the Council will utilise any internal balances first before undertaking any new borrowings. There is a cost of doing this, but this is far lower than borrowing with average returns realising approximately 1%.

Table 1.2 Cost of borrowing to finance the capital programme

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

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

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

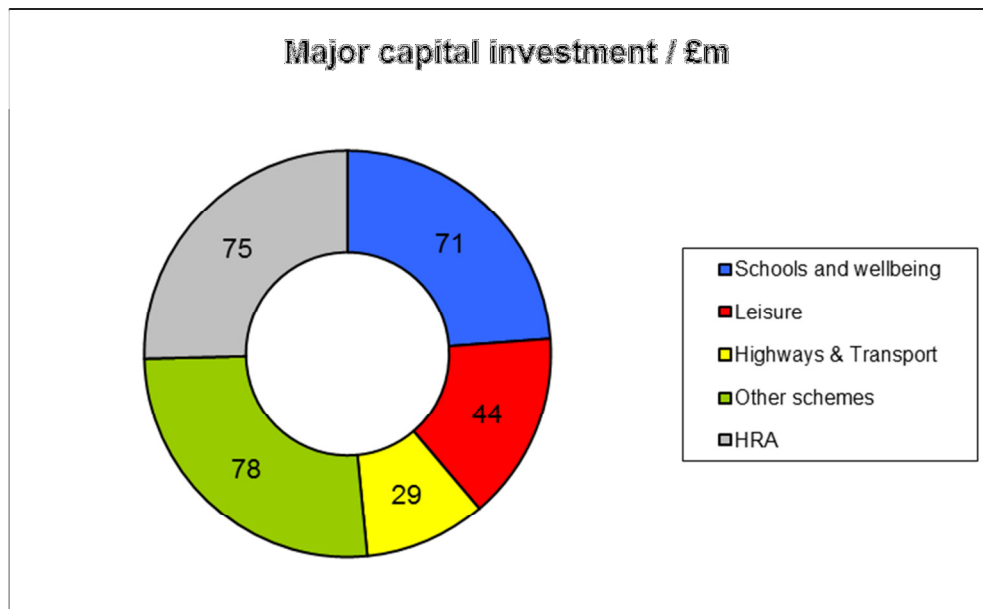
5.3 Key elements

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

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

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

Chart 2.1: Key items included in the Capital Strategy



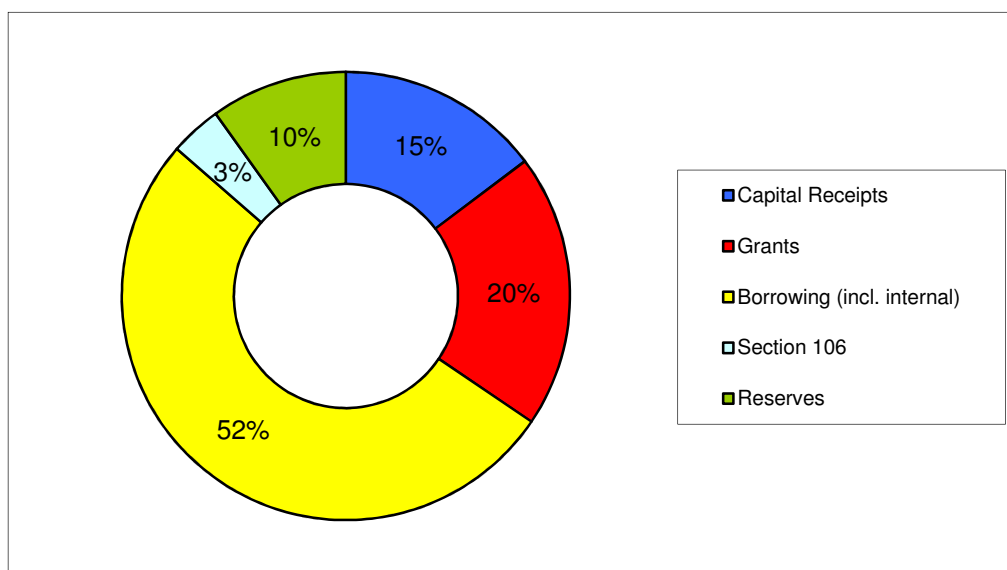
Key elements

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

5.4 Financing the capital programme & prudential code

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

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



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

5.5 The main sources of income are:

5.5.1 Capital Receipts

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

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

5.5.2 Grant Funding

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

5.5.3 S106 receipts

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

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

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

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

The above number can be seen in table 1.1

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

5.5.4 Flexible use of Capital Receipts

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

5.6 Revenue Contributions

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

5.7 Borrowing

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

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

- 5.7.2 The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 5.8 Revenue contributions (HRA). The abolition of the HRA subsidy system and its replacement by the self-financing regime from April 2012 has enabled the HRA to retain more of its rental income. This additional income is being used to support the building of affordable homes in the capital programme as well as other elements of the capital programme. As a result, new affordable/social homes will be built within the Borough to help replace those sold under the Right To Buy (RTB) regime.
- 5.9 Major Repairs Reserve (HRA). This reserve is a revenue funded reserve used to maintain the Council's housing stock at a 'Decent Homes' standard and is a major contributor to funding the HRA capital programme.

6 Minimum Revenue Provision Statement

- 6.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.
- 6.2 The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 6.3 The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.
- 6.4 CLG has issued guidance on the calculation of MRP, including a number of methods which it considers to be prudent. The guidance is clear that authorities are also free to devise other methods they consider prudent.
- 6.5 The guidance details:
- **A: Regularity Method: Finance leases and Private Finance Initiative (PFI) :** MRP on assets acquired through finance leases and Private Finance Initiative (PFI) should be equal to the cash payments that reduce the outstanding liability each year.
 - **B: CFR Method: Capital expenditure incurred before 1st April 2008:** MRP on all capital expenditure incurred before 1st April 2008, and on expenditure funded by supported borrowing thereafter, is equal to 4% of the opening CFR with some optional adjustments.

- **C: Asset Life/ Depreciation Method: Unsupported Capital Expenditure (“Prudential” borrowing):**

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

Here, the Council has three broad options:

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

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

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

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

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

6.10 Capital expenditure incurred during 2017/18 would not be subject to a MRP charge until 2018/19.

Based on the Council’s latest estimate of its Capital Financing Requirement on 31st March 2017, the budget for MRP has been set as follows:

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

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

7 Community Investment Fund

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

8 Comments of Other Committees

This report will be considered by the Overview & Scrutiny Committee on 2th February 2017 and any comments will be reported at the Cabinet meeting.

9 Conclusion

The Cabinet are requested to approve the capital strategy and recommend it to Council on 23rd February 2017.

10 Appendices Attached

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

11 Background Papers

- '1' - Local Government Finance consultation and final settlement – 2016
- '2' - Revenue Budget Report 2017/18

Appendix A – General Fund Capital programme

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

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

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

Flexible use of Capital Receipts

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

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

Appendix B – HRA Capital programme

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

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

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

WARD(S): All

PORTFOLIO: Councillor Munawar, Commissioner for Finance & Strategy

PART I
KEY DECISION**REVENUE BUDGET 2017/18****1 Purpose of Report**

To detail the overall Revenue Budget for 2017/18, and the decisions required for the Council to achieve a balanced budget for the year ahead.

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

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

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

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

2 Recommendation(s)/Proposed Action

The Cabinet is requested to recommend that the budget as attached be approved, whilst noting that the Thames Valley Police Authority and the Royal Berkshire Fire Authority are still to confirm their final council tax precept requirements and:

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

- (a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 2018 is as specified below and that the Council Tax be levied accordingly.
- (b) That it be noted that at its meeting on 19 December 2016 Cabinet calculated the following Tax Base amounts for the financial year 2017/18 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:

- (i) 41,174.7 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2017/18; and
- (ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2017/18:
- | | | |
|----|--------------------------------|---------|
| a) | Parish of Britwell | 840.7 |
| b) | Parish of Colnbrook with Poyle | 1,866.4 |
| c) | Parish of Wexham | 1,329.6 |
- (c) That the following amounts be now calculated for the year 2017/18 in accordance with sections 31A to 36 of the Act:
- (i) £406,981,084 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2)(a) to (f) of the Act. (Gross Expenditure);
- (ii) £ 354,279,115 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (3) (a) to (d) of the Act. (Gross Income);
- (iii) £52,701,969 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement);
- (iv) £1,279.96 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.
- (v) That for the year 2017/18 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £223,349 representing the total of Parish Precepts for that year.
- (vi) £1,274.54 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

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

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

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

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

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

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

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

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

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

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

- (xi) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 2012 Act.
- (xii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (xiii) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-

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

Fees and Charges –

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

Pay Policy –

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

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

3a. Slough Joint Wellbeing Strategy Priorities

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

3b Five Year Plan Outcomes

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

4 Other Implications

(a) Financial

Detailed within the report.

(b) Risk Management

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

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

(c) Human Rights Act and Other Legal Implications

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

(d) Equalities Impact Assessment

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

(e) Workforce

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

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

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

5 Supporting Information

5.1 Summary

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

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

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

Chart 1: Funding summary

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

5.2 Income

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

NNDR (Business Rates)

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

Revenue Support Grant (RSG)

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

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

Council Tax

5.2.4 Another main source of Council income is derived from Council Tax receipts. The overall amount raised is based on the Council Taxbase (i.e. the number of properties in the borough) as per the report to Cabinet in December 2016 multiplied by the average band D Council Tax amount. For 2017/18 the Council Tax levels across the borough currently assume a 4.71% increase for the Slough Borough Council element at £1,217.21 for a band D equivalent (3% of this increase is due to the government's Adult Social Care precept and only 1.71% for the Council to fund all other services). This leads to an assumed Council Tax income of **£52.50m** for the Council in 2017/18.

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

Specific Grants

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

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

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

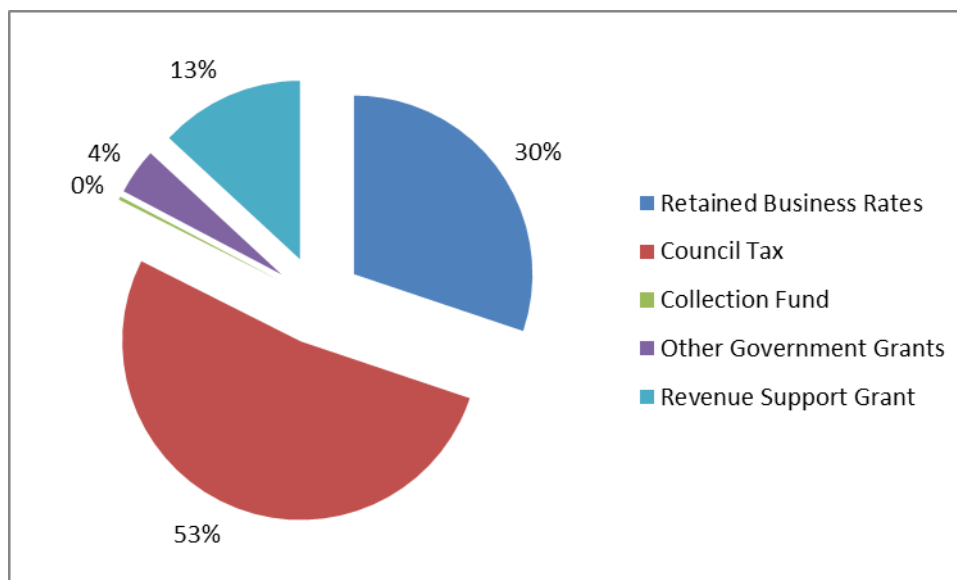
5.2.8 As expected, the main focus is on adult social care. Savings from NHB will be used to contribute towards adult social care funding. A new £240m adult social care support grant will be created in 2017-18, for one year only, and distributed according to relative need. Slough's allocation for 2017/18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

Collection Fund

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

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

Chart 1.1: Council income sources



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

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

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

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

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

	funding which the DFE will recoup from Slough's High needs block.)	the net deduction is £230k. Other additions to the HNB has transferred the responsibility for Post 16 to SBC, which will be passported to 6 th form providers.
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5.2.15 A selected group of Head Teacher who are members of the School Block Task Group met after the School Forum meeting to discuss and review in detail each factor of the School block budget.

5.3 Expenditure

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

- (1) Base budget **£2.7m** – these are movements due to inflationary pressures, pay award (assumed at 1% for 2017/18), incremental rises and other adjustments related to previous years and virements. Appendix B has further details.
- (2) Directorate Growth **£3.2m** – these are the totals of increased pressures on the council for 2017/18. Appendix C provides details of these.
- (3) Savings of **£12.4m**. The items above combined with the reduced overall income to the Council leave a savings target that needs to be closed. Appendix A details the proposals behind the savings
- (4) Other Adjustments – This is the return of £1.1m of general reserves, used to fund the 2016/17 revenue budget and a reversal of £1.8m for one-off income amounts included within the 2016/17 budget. The budget allows for a contribution of £0.342m to General Fund reserves.

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

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

5.4 Strategy

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

- 5.4.2 The rationale for outcomes based budgeting was also to drive more innovation in the delivery of Council services and to take a more strategic look over the life of the MTFs to commence schemes that will re-shape services or deliver significant income in future financial years. These will need to be approved on an annual basis per the Council revenue budget setting process, but this provides a clear trajectory for where the Council is seeking to make change in the future. As can be seen from the chart, there are significant new income streams that the Council will be pursuing to enable the delivery of the 5YP but also to protect other services areas from even further reductions in budgets due to overall reduction in Government funding.
- 5.4.3 Following the multi-year settlement provided by government to Slough Borough Council, the Council has decided to provide similar financial certainty to the Slough Children's Services Trust (SCST) on the amount it intends providing as part of the Trusts' Core Contract, as follows:

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

5.5 Reserves

- 5.5.1 The Council holds a variety of reserves, and these are detailed further in appendix D. It is vital for the Council to hold a minimum level of reserves to ensure that if there is an overspend in the financial year due to demand pressures or emergencies, that the Council can cover this without going out to residents immediately requesting additional Council Tax; the general reserve gives the Council more time to deal with impact of overspends on the services that are delivered.
- 5.5.2 As per this report, the minimum level of recommended General Fund reserve has been set at 5% of the Council's net revenue budget. The current volatility and uncertainty over government funding in terms of Revenue Support Grant, Better Care Fund, Education Services Grant and New Homes Bonus as well as welfare reform costs pressures means that it is estimated an additional £2m of balances are required to cover these contingencies. This would mean a minimum level of **£7.2m** at the proposed budget figures. The current level of general reserves as at 31.3.2016 is £8.1m.

5.6 Risk Management

- 5.6.1 Given the level of savings for 2017/18, it is vital to ensuring the long term stability of the Council that these are delivered to enable a balanced budget, but also that the savings package as a whole is considered across the Council and that the sum of the savings do not create difficulties for other parts of the Council when delivering services for its residents.
- 5.6.2 During the 2017/18 financial year, as has been the case in 2016/17, there will be monthly monitoring of the savings proposals to identify which are green, i.e. on track to be delivered, amber or red (not expected to be delivered in year). This will enable the Council to adjust it's future budget position for any unmet savings as well as ensure that it can take appropriate in year steps to rectify any growing overspends that arise.

5.7 Impact on service budgets

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

Table 2.1: Impact on service budgets

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

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

6 Medium Term Financial Strategy (MTFS)

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

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

- 6.3 The Council is well prepared to meet the financial challenges of the coming years. It has a history of ensuring a balanced budget is delivered, as well as over recent years increasing general reserves to a sustainable level to meet the future financial challenges. The Council has successfully delivered a number of change projects in recent years, with a number of the Council's services being delivered by private sector partners. At the same time, the Council has maintained investment in its infrastructure through the approval of capital budgets to deliver a variety of programmes. The Capital Strategy going forward will be even more focussed on delivering revenue savings through the effective use of infrastructure investment.
- 6.4 As can be seen from the above the relative importance of Council Tax and retained business rates grows over the period of the MTFS from 75% to almost 100% of the Council's income; the Council will by the end of the MTFS be much less reliant upon Government funding. To reflect this, the Council has made retaining existing businesses and attracting new businesses, as well as ensuring a strong supply of housing two of the key outcomes within the new 5YP.

6.5 The Financial Model

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

The MTFS financial model

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

- Council Tax – assumed that the Taxbase (i.e. number of properties in Slough) rises by 4% from 2017/18 and then 1.5% for future years. Council Tax to increase by 4.71% in 2017/18, 3% in 2018/19 and then modelled at 1% in future years.
- Retained Business Rates – assumed small growth in Business rates for 2017/18 and that they rise in line with inflation thereafter.

- Revenue Support Grant (Government grant) – includes 2017 to 21 figures announced by Government in December 2015 as part of the 4-year settlement offer. These numbers have been confirmed as part of the December 2016 Government announcement.
- Education Services Grant (Government grant) – expect to reduce as this grant reduces with every school that converts to academy status.
- New Homes Bonus – assumed growth in the Taxbase and then reduces per the Government's finance settlement.
- Collection Fund – the balance of surplus / deficit on retained business rates and Council Tax compared to original assumptions
- Base budget changes – increases due to non-pay and pay pressures across the Council.
- Directorate pressures – the 2017/18 items are detailed in Appendix C.
- Revenue impact of capital investment – the amount of revenue budget required to pay off any additional capital borrowing required in future financial years from the capital strategy.
- Other adjustments – the use of or contribution to specific reserves, or one-off saving items that do not go into the baseline of savings.
- Savings– the amount of savings required for each financial year.

7 Comments of Other Committees

- 7.1 This report will be submitted to the Overview and Scrutiny Committee, on the 2nd February 2017, for consideration. Any comments will be reported at the Cabinet Meeting on 6 February 2017.

8 Conclusion

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

9 Appendices Attached

'A' - Savings proposals

- 'B' - Base budget assumptions
- 'C' - Service pressures
- 'D' - Reserves position
- 'E' - Collection Fund
- 'F' - Fees & Charges
- 'G' - Council Tax Resolution
- 'H' - Section 151 officer statement
- 'I' - Specific Grants
- 'J' - HRA Rents and Service Charges
- 'K' - Equality Impact Assessment
- 'L' - Efficiency Strategy
- 'M' - Pay Policy Statement

9 Background Papers

- '1' - Local Government Finance Settlement 2017/18
- '2' - Council Taxbase Report (December 2016 Cabinet)
- '3' - Medium Term Finance Strategy update paper to Cabinet (December 2016 and January 2017)

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

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

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

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

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

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

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

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

Total Savings

12,411 -1,441 5,363 2,519

Appendix B - Base Budget Adjustments

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

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

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

Appendix C - Growth

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

Appendix D

2017/18 Council Reserves

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

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

General Fund

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

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

Harmonisation Reserve

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

Collection Fund

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

Restructuring Reserve

This fund is for future restructuring liabilities. Where a restructure occurs and generates on-going revenue savings to help the Council achieve its objectives set out in the MTF5, the funding will be released.

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

Unusable reserves

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

2017/18 Collection Fund

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

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

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

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

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

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

2017/18 Fees and Charges

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

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

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

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

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

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

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

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

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

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

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

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

Statutory Determination of Council Tax

Council Tax Resolution

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

- (a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 2018 be as specified below and that the Council Tax be levied accordingly.
- (b) That it be noted that at its meeting on 19 December 2016 Cabinet calculated the following Tax Base amounts for the financial year 2017/18 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:
- (i) 41,174.7 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2017/18; and
- (ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2017/18:
- | | | |
|----|--------------------------------|---------|
| a) | Parish of Britwell | 840.7 |
| b) | Parish of Colnbrook with Poyle | 1,866.4 |
| c) | Parish of Wexham | 1,329.6 |
- (c) That the following amounts be now calculated for the year 2017/18 in accordance with sections 31A to 36 of the Act:
- (i) £406,981,084 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2)(a) to (f) of the Act. (Gross Expenditure);
- (ii) £ 354,279,115 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (3) (a) to (d) of the Act. (Gross Income);
- (iii) £52,701,969 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement);
- (iv) £1,279.96 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.

- (v) That for the year 2017/18 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £223,349 representing the total of Parish Precepts for that year.
- (vi) £1,274.54 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

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

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

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

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

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

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

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

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

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

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

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

- (xii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (xiii) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.

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

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

Adequacy of Reserves

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

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

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

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

In light of the above, the proposed minimum level of reserve for the Council should be 5% of the net budget (as defined by Council Tax, retained business rates and non-ring fenced revenue Government grants); plus £2m to allow for current funding volatility. This results in a total of **£7.0m¹**.

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

Robustness of Estimates

The treatment of inflation and interest rates

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

Efficiency saving and productivity gains

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

Budget and Financial management

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

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

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

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

Adequacy of insurance and risk management

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

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

Overall financial standing of the authority

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

Maintaining balances

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

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

Specific grants

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

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

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

HRA Rents and Service Charges 2017/18

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

- Council house dwelling rents for 2017/18 to **decrease by 1%** over the 2016/17 rent with effect from Monday 3rd April 2017. This is in line with current government guidelines and legislation.
- Garage rents, heating, utility and ancillary charges to **increase by 2.0%** with effect from Monday 3rd April 2017. This is based upon the September RPI figure.
- Service charges to **increase by 2.0%** with effect from Monday 3rd April 2017. This is based upon the September RPI figure.
- 'Other committee' property rents to increase by an average of 2.0% from Monday 3rd April 2017 in line with the September RPI figure.

APPENDIX K

Equality Impact Assessments

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

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

Qualifying expenditure

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

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

Requirements of the Strategy

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

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

Timescales

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

Capital receipts expected in 2017-18

Government summary of example programmes

- Sharing back-office and administrative services with one or more other council or public sector bodies
- Investment in service reform feasibility work, e.g. setting up pilot schemes
- Collaboration between local authorities and central government departments to free up land for economic use

- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation
- Sharing Chief-Executives, management teams or staffing structures
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others)
- Integrating public facing services across two or more public sector bodies (for example children’s social care, trading standards) to generate savings or to transform service delivery.

Appendix M

Pay Policy Statement for the Year 2017/18

1. Introduction

- 1.1 The Localism Act requires local authorities to publish, on their website, an annual Pay Policy Statement, which has been approved by Full Council.
- 1.2 No remuneration may be made to officers that fall outside of the Pay Policy Statement, although it is possible for a meeting of the Full Council to amend the statement at any time.
- 1.3 In drawing up this statement, Slough Borough Council has taken into account the guidance issued by the Department of Communities and Local Government in February 2012 and the supplementary guidance issues in February 2013.
- 1.4 Slough Borough Council is committed to complying with the statutory obligation to pay the National Living Wage.
- 1.5 This statement does not apply to schools' staff as local authority schools' employees are outside the scope of the legislation.
- 1.6 This statement will be approved by Full Council in February 2017 and will be updated as and when necessary throughout the year to reflect any changes.
- 1.7 Slough Borough Council fully endorses and supports the requirement to be open and transparent about the pay of our staff.
- 1.8 The Council is committed to paying nationally negotiated pay awards and this Pay Policy Statement will be updated as and when any such pay awards are agreed.

2. Remuneration of Chief Officers

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

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

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

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

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

2.2 Remuneration on Appointment

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

2.3 Job Evaluation

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

2.4 Terms and Conditions of Employment

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

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

2.5 Travel and Subsistence Expenses

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

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

2.6 Payment of Professional Fees

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

2.7 Honoraria

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

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

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

2.8 Acting Up

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

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

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

2.9 Secondments

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

2.10 Market Supplements

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

2.11 Pay protection

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

2.12 Termination Payments

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

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

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

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

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

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

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

2.14 Pension Payments

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

3. Remuneration of Our Lowest Paid Employees

- 3.1 All SBC employees are paid in accordance with a locally determined salary scale, appendix A.
- 3.2 “Lowest Paid Employee” means the employee on the lowest grade, assuming that the posts are full-time, excluding apprentices. The lowest grade is Level 1, £15,858.
- 3.3 Unsocial Hours Payments

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

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

3.4 Terms and Conditions of Employment

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

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

- 4.1 The pay of the Chief Executive is currently £159,054. This is 10.3 times the pay of our lowest paid employees. ($159,054 / 15,858 = 10.029$)
- 4.2 The median earnings of all employees as of 1 April 2016 for the financial year 2015/2016 was £16,362.75. The median earnings figure complies with the specific requirements within the Local Government Transparency Code 2015 and includes all elements of remuneration that can be valued.
- 4.3 The pay of the Chief Executive is currently 9.7 times the pay of median earnings of our employees.

APPENDIX A**Slough Borough Council Salary Scales**

Date last updated: November 2016

SLOUGH LEVELS STRUCTURE 1ST APRIL, 2016

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

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

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

CONTACT OFFICER: Shabana Kauser, Senior Democratic Services Officer
(For all Enquiries) (01753) 787503

WARD(S): All

PORTFOLIO: Commissioner for Finance & Strategy, Councillor Munawar.

PART I
NON-KEY DECISION

REFERENCE FROM THE AUDIT & CORPORATE GOVERNANCE COMMITTEE - RISK MANAGEMENT STRATEGY

1. Purpose of Report

To consider a reference from the Audit & Corporate Governance Committee seeking Cabinet approval of the Risk Management Strategy.

2. Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the Risk Management Strategy, as attached at Appendix A, be approved.

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

3a. Slough Joint Wellbeing Strategy Priorities

The report indirectly supports all of the strategic priorities and cross cutting themes.

The risk management strategy contributes to the maintenance of excellent governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieve through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

4. Other Implications

(a) Financial

There are no direct financial implications of this report

(b) Risk Management

This report is concerned with the risk management and other governance arrangements of the Council

(c) Human Rights Act and Other Legal Implications

There are no human rights issues arising from this report

(d) Equalities Impact Assessment

There are no equality issues arising from this report

5. **Supporting Information**

5.1 The Audit & Corporate Governance Committee considered the revised Risk Management Strategy at its meeting on 11th January 2017 as part of a wider report on internal audit issues, counter-fraud activity and the corporate risk register.

5.2 The purpose of the Risk Management Strategy is to:

- Provide standard definitions and language to underpin the Risk management process.
- Ensure that risks are identified and assessed in a consistent manner throughout the organisation.
- Clarify roles and responsibilities for managing risks.
- Implement an approach that meets current legislative requirements and follows best practice and relevant standards.

5.3 The Risk Management Strategy now includes the Risk Management Policy and the implementation of the Risk Management Strategy is designed to assist the Council in:

- Reducing risks.
- Maximising opportunities.
- Improving the effectiveness of our partnerships including the realisation of anticipated benefits.
- Ensuring that the benefits offered by contracting out services are realised.
- Enhance our procurement processes.
- Support the delivery of the Council's 5 Year Plan Objectives.

5.4 The document sets out how risk management is organised in the Council; a guide for identifying, prioritising and documenting risk as well as the processes to assist the Council in developing the risk register. It also contains the Terms of Reference of Risk Management and Audit Group whose purpose it to ensure that the Council is proactively managing strategic risk and audit processes.

5.5 The Committee agreed to approve the strategy and recommend to Cabinet that it be signed.

6. **Comments of Other Committees**

The Risk Management Strategy was considered and approved by the Audit & Corporate Governance Committee on 11th January 2017.

7. **Conclusion**

The Cabinet is requested to consider the reference from the Committee and is recommended to approve and sign the Risk Management Strategy.

8. **Appendices Attached**

'A' - Risk Management Strategy

9. **Background Papers**

None.

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APPENDIX A

Risk Management Strategy

2016

Version Control

Date	Version	Author	Description	Approved by
22 nd June 2016	1.0	Phil Brown	Update on 2013 to 2015 Strategy	
14 th July 2016	2.0	Phil Brown	Update following Risk Management Group	

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Introduction

Risk is defined as;

“The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of likelihood and impact”

The Risk Management Strategy is to:

- Provide standard definitions and language to underpin the Risk management process
- Ensure that risks are identified and assessed in a consistent manner throughout the organization
- Clarify roles and responsibilities for managing risks
- Implement an approach that meets current legislative requirements and follows best practice and relevant standards

The Risk Management Strategy now includes the Risk Management Policy

The implementation of the Risk Management Strategy will assist the Council in:

- Reducing risks
- Maximising opportunities
- Improving the effectiveness of our partnerships including the realisation of anticipated benefits
- Ensuring that the benefits offered by contracting out services are realised.
- Enhance our procurement processes
- Support the delivery of the Council’s 5 Year Plan Objectives.

Benefits of Risk Management

Effective risk management will deliver a number of tangible and intangible benefits to individual services and to the Council as a whole, e.g.

- **Improved Strategic Management**
Greater ability to deliver against objectives and targets
A sound system of corporate governance
Confidence in the rigour of the Annual Governance Statement
More likely that new developments can be delivered on time and on budget
Delivery of innovative projects
- **Improved Operational Management**

- Reduction in interruptions to service delivery
 - Reduction in managerial time spent dealing with the consequences of a risk event having occurred
 - Improved health & safety of those employed, and those affected, by the Council's undertakings
 - Improved prevention of fraud, bribery and corruption
 - Allows managers to focus on issues that really matter
 - Delivery of change management and organisational change
- **Improved Financial Management**
 - Better informed financial decision-making
 - Enhanced financial control
 - Reduction in financial costs associated with losses due to service interruption, litigation, etc.
 - Reduction in insurance premiums and claim related costs
 - **Improved Customer Service**
 - Minimal service disruption to customers
 - Protection of reputation and reduced risk of misinterpretation by media

Objectives

Below are the risk management objectives.

Objectives:

- Embed a risk management ethos throughout the Council that ensures the regular and systematic identification, prioritisation, treatment and monitoring of risks.
- The production of strategic and directorate risk registers that highlight the key risks facing the council that informs the corporate risk register and the annual Internal Audit Plan.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Raise awareness of the need for risk management by all those connected with the Council's delivery of service

These objectives will be achieved by:

- Defining roles, responsibilities, and reporting lines.
- Including risk management issues when writing Cabinet reports
- Maintaining registers of risks
- Holding regular meetings of the Risk Management and Audit Group that involves Senior Managers.

- Providing appropriate training to all members of staff
 - Setting the Risk appetite
- (‘Risk Appetite’ is the level of risk an organisation is prepared to tolerate. The decision to accept a risk is based partly on a view of the tolerance level of that particular risk. One of the aims of this document is to help managers view risks in a consistent way across all Directorates and ensure the Council has a balanced “Risk Appetite”.)*

How Risk Management in Slough Borough Council is organised.

The next section deal with how risk management is organised in Slough Borough Council. This includes:

- Roles and Responsibilities
- Training
- Risk Register Structure

Roles & Responsibilities

To help ensure that the risk management is embedded in the day to day function of all staff

Officer/Group	Responsibility	Frequency
The Cabinet	<p>The Cabinet role is to set the risk appetite and influence the culture of Risk Management within the Council, this includes:</p> <ul style="list-style-type: none"> • Determining whether the Council is 'risk taking' or 'risk averse' • Ensuring risks are considered as part of every Cabinet report decision • To review the content of the Corporate Risk Register at least annually, ensuring procedures are in place to monitor the management of significant risks to reduce the likelihood of unwelcome surprises; • Periodically review the Council's approach to Risk Management and approve changes or improvements to key elements of its processes and procedures. 	At Least Annually
Audit and Corporate Governance	The purpose of The Audit and Corporate Governance Committee in relation to Risk Management is:	Every Three months

Officer/Group	Responsibility	Frequency
Committee	<ul style="list-style-type: none"> • To approve the risk management strategy and review the effectiveness of risk management arrangements, the control environment and associated antifraud and anti-corruption arrangements and seek assurances that action is being taken on risk related issues; • To ensure that assurance statements, including the Annual Governance Statement properly reflect the risk environment; • To review the Council’s risk register; http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=563&MId=5513&Ver=4&Info=1 	
Overview and Scrutiny	In their role of scrutinising decisions taken by the Cabinet, Scrutiny Members should ensure that associated risks have been taken into account. Scrutiny Committees also have a role in bringing potential risks that may not have been previously identified to the attention of the Corporate Management Team.	On-going
Elected Members	Elected Members should consider the risks associated with recommendations put forward in reports to the various committees such as the Cabinet or Scrutiny Committees to name but a few when making decisions recommended within the reports	On-going
Corporate Management Team.	Update Strategic Risk Register.	Every six months
	Undergo relevant training	As and when
Asst. Directors	Update Risk Register	Every three months
	Discuss risk at directorate meetings Standing Item on Team Meeting Agendas. At 1-2-1 supervision meetings monthly	
	Undergo relevant training	As and when
	Cascade risks down to individual teams	As part of the annual appraisal process

Officer/Group	Responsibility	Frequency
Risk Management & Audit Group	See attached Risk Management and Corporate Governance Group Terms of Reference	
All other staff	Bring risk issues to the attention of their manager. Undertake relevant training	On-going
Programme Management Office	Review Risk Registers and Highlight reports for all Projects on the Portfolio Analysis of key themes and risks which are reported to CMT Monitoring and assessment of Portfolio related risks in PMO risk register	Monthly
Project Managers	Maintenance of project level risk register Reporting of new and significant ongoing risks to the Programme Management Office	
Risk & Insurance Officer	Maintain and facilitate updating of Risk registers	On-going
	Produce overview of directorate risks for Directors	Every Three Months
	Organise Risk Management Training	On-going

Strategic Risk

Below is a definition of Strategic Risk

“Those business risks that, if realised, could fundamentally affect the way in which the organisation exists or provides its services in the next one to five years. These risks will have a detrimental effect on the organisation’s achievement of its key business objectives. The risk realisation will lead to material failure, loss or lost opportunity.” – RSM

5 Questions to Identify a Strategic Risk

- What is happening internally or externally that will present a strategic risk or challenge?

- What has happened in the past that had led to the realisation of a strategic risk?
- What is happening elsewhere?
- What are auditors, regulators, customers and partners telling us about the organisation?
- What challenges will the organisation face in implementing the Five Year Plan?

Guide for Identification, Prioritising, and Documenting of Risk

To ensure the systematic management of risks it is recommended that risks are recorded and communicated. This is done by completing a risk register. The Council has risk registers at project level and directorate level, and the highest risks at this level are incorporated into the Strategic Risk Register.

These are the steps to completing a risk register. These are:

1. Identifying a Risk
2. Use pre-determined risk categories
3. Describe the Risk
4. Assess the risk assuming that there are no control measures in place
5. Identify the current controls
6. Identify the Assurances.
7. Re-Assess the Risk taking current controls into account
8. Identify further controls if required
9. Re-Assess the Risk taking proposed controls into account
10. Decide upon a reasonable date for the completion of the proposed control
11. Assign implementation of control to a relevant officer

How to populate the Risk Register

Step 1 – Identifying a Risk

If you have discovered an issue that is or will affect the delivery of one or more of the 5 year plan objectives you will want to ensure that the Risk is managed proportionally, and effectively.

Step 2 – Use pre-defined Categories of Risk

SBC has decided the following categories of risk

Type of Risk	
Economic/ Financial	Events or lost opportunities that have a detrimental affect on the finances of the authority.
Political	Risks that affect the Council's ability to deliver its strategic objectives.
Health & Safety	Events that lead to the physical/mental harm of employees and/or stakeholders.
Environment	Events that may have a detrimental affect on the physical environment
Legal/Regulatory	Actions or events that breach regulations, civil or criminal law
Management including contractual	Events, actions or proposed actions that lead to increased management effort
Programme and Projects	Risks that could have an effect on the successful achievement of the programme or project's outcomes / objectives in terms of service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).

Step 3 – Describe the Risk

Describing the risk clearly is very important. What you must try to avoid is confusing risks with outcomes.

Consider and record potential outcomes

Below is a table of some risks and one of corresponding possible outcomes

Risk	Possible Outcomes
Failure to an appropriate and robust system of internal financial controls.	Fraud
Overspent budget	Damage to reputation
Failure of business critical IT systems	Inability to provide and/or monitor services.
Inadequate or poorly implemented	Injury to staff and/or visitors

Health and Safety system	
--------------------------	--

Consider and record circumstances/events that may “trigger” the risk

Step 4 - Assess the risk assuming that there are no control measures in place

To enable us to manage the risk most effectively we need to assess the risk assuming no controls.

SBC has decided to use a 6x4 Matrix as shown below

Probability	Very High	6	12	18	24
	High	5	10	15	20
	Significant	4	8	12	16
	Low	3	6	9	12
	Very Low	2	4	6	8
	Almost impossible	1	2	3	4
		Negligible	Marginal	Critical	Catastrophic
		Impact			

The descriptors for both “Probability” and “Impact” are shown below

Impact

	Negligible	Marginal	Critical	Catastrophic
Economic/Financial	Financial impact up to £50,000 requiring virement or additional funds	Financial impact between £50,000 and £500,00 requiring virement or additional funds	Financial impact between £500,000 and £1,000,000 requiring virement or additional funds	Financial impact in excess of £1m requiring virement or additional funds
Political	Could have a major impact one departmental objective but no impact on a Council strategic objective	Could have a major impact on a Departments objective with some impact on a Council strategic objective	Council severely impact the delivery of a Council strategic objective	Council would not be able to meet multiple strategic objectives.
Health & Safety	Reduced safety regime which if left unresolved	Minor injuries	1 death or multiple serious injuries	Multiple deaths

	may result in minor injury			
Environment	Minimal short-term/temporary environmental damage	Borough-wide environmental damage	Major long term environmental damage	Very severe long term environmental damage.
Legal/Regulatory	Minor breach resulting in small fines and minor disruption for an short period	Regulatory breach resulting in small fines and short term disruption for an short period	Minimal CMT but major departmental management effort required	Very severe regulatory impact that threatens the strategic objectives of the Council
Management including Contractual	Minimal contract management required	Minimal departmental but major contract management required	Minimal CMT but major departmental management effort required	Major CMT management effort would be required
Programme and Projects	Risk does not affect overall project tolerances	Risk affects delivery of a milestone but overall project tolerances are unaffected	Risk affects project tolerances to Amber RAG rating	Risk affects project tolerances to Red RAG rating

PROBABILITY

	Almost Impossible	Very Low	Low	Significant	High	Very High
	Less than 10%	10 – 30%	30 -50%	50-70%	70 – 90%	More than 90%
	Event may occur only in exceptional circumstances	Event will occur in exception circumstances	Event should occur at sometime	Event will occur at sometime	Event may occur only in most circumstances	Event will occur only in most circumstances

Step 5 - Identify the current controls

Now we need to identify the “current controls” These are the things we already do to reduce the risk.

Control measures are the actions taken to “mitigate” the probability and impact of a risk.

Control measures can take many guises and below is a list of control measures and how they mitigate a risk.

Control Measure	How it Mitigates
Project Plan	The discipline of completing and maintaining a project plan is a good way of identifying and planning the management of issues that may arise.
Monitoring	This can take the form of a 121, appraisal, service meeting with a contractor or provider. Monitoring to a set of defined performance indicators helps ensure that actions are performed to a prescribed level in a timely manner.
Reporting	Regular reporting of performance to senior officer/ member groups encourages the completion of actions especially reports that highlight non-performance.
Auditing	This ensures the veracity of claims that actions are in progress or have been completed.
Action	Action proposed to mitigate a risk. These, when completed should affect the probability and/or impact of a risk.

Step 6 – Record Assurances

When identifying the current controls we also need to record what “assurances” we have that the controls are working.

There are two types of “assurance”, internal and external.

Examples of external assurance are External Audit reports, OFSTED Inspections, CQC reports

Examples of internal assurances are internal reports that the controls to manage risks are working

Step 7 - Re-Assess the Risk taking current controls into account

You now need to follow the same process as “Step 4” but take the current controls into account.

Step 8 - Identify further controls if required

Now is the opportunity to record the further actions you need to take to mitigate the risk to an acceptable level. Further control measures must have an implementation date and a responsible officer

Step 9 - Re-Assess the Risk taking proposed controls into account

You now need to follow the same process as “Step 4” but take the effect of the proposed controls into account.

Ways to Mitigate Risks

The vast majority of risks can be mitigated in some way or other but most risks cannot be eliminated altogether and risk management is about determining what level of risk is acceptable.

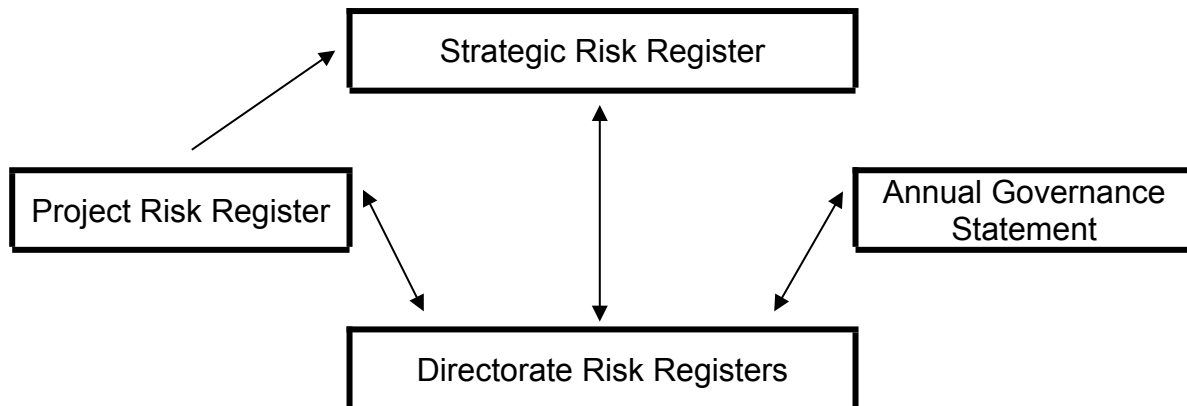
There are four basic responses to the mitigation of risk. These are:

- Transfer
- Control
- Terminate
- Tolerate

Response	
Transfer	Some risks can be transferred – legal liability can be transferred to an insurer, or service delivery can be transferred to a third party provider.
Control	Some risks will require additional control measures to reduce their probability or impact.
Terminate	Some activities present risks that are so disproportionate to the benefits derived from carrying out that activity that consideration should be given to terminating the activity – it should be noted that this is not always possible.
Tolerate	This response is acceptable if The risk is already managed to its lowest level of impact and/or probability

Risk Registers

Below is a diagram that shows the links between the various risk registers and other elements that feed into the risk registers



Definitions

To ensure that risk management is embedded into the organisation. Below is a list of terms with definitions.

Risk Register – A document that contains details of a risk, current risk assessment, controlled risk assessment, proposed control measures and responsible officer

Probability – Also known as Likelihood – is the estimated chance of a risk transpiring.

Impact – The estimated severity of a risk transpiring

Risk Appetite - The level of risk an organisation is prepared to tolerate

Risk Management Improvements

Below are the planned improvements to the risk management strategy over the coming 12 months.

- Rollout of Intalex Risk Management System
- Risk Management Training delivered to SLT Members
- Rolling program of Risk Management Training accessible to other managerial staff

Appendix 1

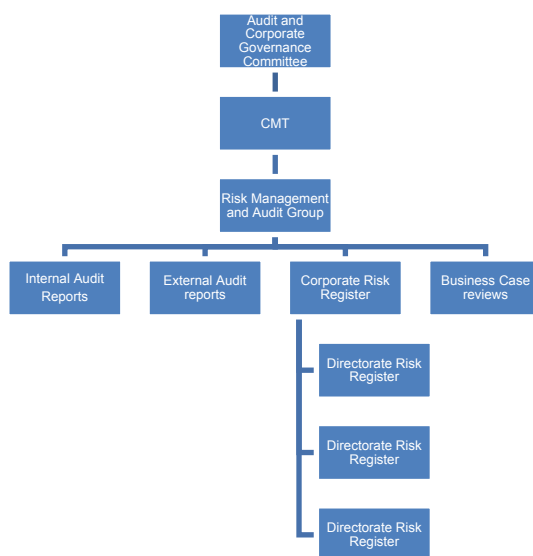
- Risk Management and Audit Group Terms of Reference

Appendix 1 Risk Management and Audit Group Terms of Reference

Purpose

To ensure that the Council is proactively managing strategic risk and audit processes. To ensure that there is a clear process in place between Strategic risk and audit issues and CMT and the Council's respective departments

Overview the process for Risk and Audit Management



Work-programme

- To ensure that the Strategic Risk Register reflects known service risks and is reviewed and updated on a regular basis
- Act as a forum to report on the progress made in mitigating risk as per departmental risk registers Directorate Risk Registers.
- Review progress of the Programme Management Office.
- Review Internal Audit progress, including receiving reports detailing, :
 - Finalised Audit reports
 - Audit Reports still in draft
 - The internal audit plan for the year ahead
- Ensuring that internal and external audit reports are responded to in a prompt manner
- To collate an up to date register of all ongoing Business Cases for projects across the Council

- To receive initial Business Cases and Post Implementation Reviews of projects to consolidate and share learning across the Council to improve governance arrangements
- To provide a report on the adequacy of Business Cases and other project controls
- On a rotational basis provide challenge on the risks and mitigating measures identified. Using this exercise to identify targeted risk management training.
- Identify and agree suitable risk management training methods for both members and officers.
- Consider relevant recommendations and actions arising from inspections, reviews etc. so that concerns are adequately reflected in risk registers.
- Share awareness and feedback with regard Fraud, Summary of the AF70's will be presented at this meeting
- To act as forum to engage with Directorate SMT representatives
- Annually review,,:
 - the Corporate Risk register for completeness
 - the risk management strategy and policy
 - terms of reference for the Risk Management and Audit Group

Membership

- The meetings will be chaired by Assistant Director, Finance & Audit / S151 Officer

And will consist of:

- The Monitoring Officer
- Internal Audit Assistant Manager (RSM)
- Corporate Financial Controller
- Assistant Director, Strategy and Engagement

And

- An Assistant Director from each department unless represented above.
- Information Governance & Security Manager

Quorum will be at least 3 of the following:

- The Risk and Insurance Officer

- Assistant Director, Finance & Audit / S151 Officer
- Assistant Director, Strategy and Engagement
- The Monitoring Officer
- Corporate Financial Controller.

It is permissible for the Assistant Directors to nominate deputies in their absence

Meetings

Meetings will be held on a monthly basis. Minutes will be taken by the Risk and Insurance Officer.

Below is a table that details the meetings and their primary focus.

Outputs

CMT will receive:

- Copies of all minutes
- Quarterly Internal Audit Recommendation Tracking Report
- Quarterly summary report of Risk register challenge
- Reviewed Risk Management Policy and Strategy
- Internal Audit plan for the year ahead

Audit and Corporate Governance Committee will receive:

- Quarterly Internal Audit Recommendation Tracking Report
- Quarterly Summary report of Risk register challenge
- Reviewed Risk Management Policy and Strategy
- Internal Audit Plan for the year ahead
- External Audit Reports
- The Corporate Risk Register

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

CONTACT OFFICER: Linda Walker, Monitoring Officer
Ginny de Haan, Head of Consumer Protection & Business Compliance
(For all enquiries) (01753) 477912

WARD(S): All

PORTFOLIO: Cllr Paul S. Sohal
Commissioner for Regulation & Consumer Protection

PART I
NON-KEY DECISION**REGULATION OF INVESTIGATIVE POWERS ACT (RIPA) REVISED POLICY AND ACTIVITY REPORT****1 Purpose of Report**

The purpose of this report is to:

- seek approval of the revised RIPA policy and guidance which covers covert surveillance and the acquisition and disclosure of communications data
- update members on RIPA activity during 2016

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the revised policy and guidance be approved and to note RIPA activity during 2016.

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

The considered and properly authorised use of the RIPA powers fully supports the Wellbeing Strategy, JSNA and Five Year Plan

The use of covert surveillance is rare and the use of an agent, informant or officer working undercover is very rare but sometime essential to ensure that the council is able to fully carry out its investigative and enforcement statutory powers and duties to protect residents and local businesses from the detrimental impacts of crime. Similarly, the use of communications data to gather intelligence is rare but can be vital to identify and pursue persons involved in criminal activity, such as fraud, which can cause very significant financial harm and distress.

4 Other Implications**(a) Financial**

There are no financial implications of proposed action

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	The policy sets out the procedures to be followed to enable the council to carry out its legal duties of investigation and enforcement in an accountable and regulated manor	Use of RIPA enhances the councils ability to effectively investigate crime and protect residents and businesses
Property		
Human Rights	The policy provides the safeguards to any interference with the principles of the Human Rights Act and European Convention of Human Rights Act	The policy demonstrates the council's commitment to its responsibilities under the Human Rights legislation.
Health and Safety	Risk assessments are completed as part of investigative operations	
Employment Issues	Training is provided to officers	
Equalities Issues	None	
Community Support	N/A	
Communications	N/A	
Community Safety	The policy will support detection and prevention of crime	The policy will support the priorities of Safer Slough Partnership
Financial	None	Fraud investigations may qualify for 'Proceeds of Crime' (POCA) applications
Timetable for delivery	Ongoing	
Project Capacity	Within existing arrangements	
Other	None	

(c) Human Rights Act and Other Legal Implications

The Council must ensure that it is fully compliant with the legal requirements set out in RIPA otherwise its use of RIPA may be in breach of the European Convention on Human Rights and the Human Rights Act 1998 and therefore at risk of challenge. This may open up the Council to both financial and reputational risk. The proposed revised policy will ensure the Council is continues to manage these risks. RIPA provides a legal framework for the Council to use covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to an authority's core functions. The legislation ensures that any investigatory activity conducted by the Council is legal, proportionate and necessary.

The legislative changes introduced by the Protection of Freedoms Act 2012 provide further protection to individuals by ensuring that the Council can only exercise the powers available to it if they are both judicially approved and are required to detect or prevent serious crime.

The proposed revised Policy helps safeguard the Council in its use of RIPA and when followed will ensure the Council complies with the law.

The Council's use of RIPA is subject to inspection by the Office of the Surveillance Commissioner ('OSC'). During these inspections authorisations and procedures are closely scrutinised and relevant Council officers are interviewed by the Inspector.

(d) Equalities Impact Assessment

The policy and national guidance is based upon government legislation that has already been assessed for equalities impact

5 Supporting Information

- 5.1 The Regulation of Investigatory Powers Act 2000 (RIPA) came into force in 2000. Both the legislation and Home Office Codes of Practice that support the Act strictly prescribe the situations and conditions under which councils can use their RIPA powers. All authorities are required to have a RIPA policy and procedure that they adhere to in using their RIPA powers. Before the 2010 General Election both partners in the coalition which was formed promised to overhaul RIPA on the basis that surveillance carried out under it was often used to investigate minor offences and in a disproportionate manner. This review resulted in the Protection of Freedoms Act 2012. From 1 November 2012 local authorities are required to obtain judicial approval prior to using covert techniques or obtaining communications data. Local authority authorisations and notices under RIPA are only given effect once an order has been granted by a Justice of the Peace. In addition since 2012, a local authority use of the three investigatory powers available to under RIPA has been limited to the investigation of crimes which attract a six month or more custodial sentence, with the exception of offences relating to the underage sale of alcohol and tobacco.
- 5.2 The revised policy and the associated procedures are intended to ensure that investigations undertaken by the Council are conducted in accordance with the requirements of Act and the amendments to guidance. RIPA ensures that when the Council needs to use covert investigation techniques, which by their very nature may otherwise be in breach of the Human Rights Act (HRA) and European Convention of Human Rights (ECHR), they are placed on a legitimate footing and that appropriate controls are put in place to ensure that the activities are properly controlled and monitored. It should be noted that these powers are only available in more serious cases and where other investigative methods are not appropriate or have been unsuccessful.
- 5.3 RIPA allows Local Authorities to carry out Directed Surveillance (surveillance of an individual/s for a specific purpose without their knowledge), use a Covert Human Intelligence Source (use of informants or undercover officers) and access communications data (obtaining subscriber information of a telephone number or internet user etc.) provided the investigatory activity is lawful, necessary, proportionate and non-discriminatory.
- 5.4 The requirements of the ECHR, HRA and RIPA impact on all officers of the

Council who undertake investigatory or enforcement activities. All officers undertaking investigative activities only do so in accordance with the requirements of the Council's Policy, the Regulation of Investigatory Powers Act 2000 and the associated guidance. All relevant Officers have received training on the use of RIPA.

- 5.5 In accordance with the revised RIPA Codes of Practice which require local authorities to involve elected members in strategic oversight of RIPA including setting the relevant Policy and considering reports on its use by the Council the approval of the Executive is sought to the revised RIPA Policy which is attached as an appendix to this report.
- 5.6 During 2016 the Council did not use RIPA powers for any directed surveillance, or covert human intelligence source purposes. The council did access communications data one occasion during 2016 specifically in relation to Trading Standards investigations.
- 5.7 The Council's use of its RIPA powers is subject to annual reporting to and triennial inspection by the Office of Surveillance Commissioners (OSC). The Council received its most recent inspection by the OSC during March 2014; it is likely that the OSC will inspect the council again in March 2017

6 **Comments of Other Committees**

This report and the revised policy and guidance have not been considered by any other Committees.

7 **Conclusion**

It is essential that the Council utilises its RIPA powers correctly and in line with national guidance in order to ensure;

- Accountable and proportionate use of the powers and protection of personal freedoms
- robust investigations can take place into serious criminal activity

Cabinet is requested to consider and approve the revised Policy and Procedures.

8 **Appendices Attached**

A SBC RIPA Policy and Procedures

9 **Background Papers**

1 RIPA Guidance from the Home Office can be found at:

<https://www.gov.uk/government/publications/changes-to-local-authority-use-of-ripa>

SLOUGH BOROUGH COUNCIL

REGULATION OF INVESTIGATORY POWERS ACT 2000

(RIPA)

**COVERT SURVEILLANCE POLICY
AND PROCEDURAL GUIDANCE**

July 2013
[Version update April 2014]
(Review and Revision
September 2016)

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Note

This Policy has been revised as a result of The Protection of Freedoms Act 2012; amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2012

CS / COP = Covert Surveillance Code of Practice (Dec. 2014)

CHIS / COP = CHIS Code of Practice (Dec.2014)

1. Introduction to RIPA

1.1 RIPA is an acronym for the Regulation of Investigatory Powers Act 2000. RIPA was introduced to ensure that Surveillance and certain other intelligence gathering complies with the European Convention of Human Rights and Fundamental Freedoms (ECHR), importantly Article 8 which provides:-

i) Everyone has the right to respect for his private and family life, his home and his correspondence

ii) There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic wellbeing of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

1.2 It should be noted that Article 8 is a qualified right. If the right to respect for one's home private and family life is interfered with it has to be proportionate and in accordance with the exceptions in paragraph (ii).

1.3 Part 2 of RIPA provides a statutory framework that is compliant with the ECHR and provides guidance when using specified Surveillance techniques. It also introduces standards that apply to the police and other law enforcement agencies. Local authorities are classified as public bodies as their functions include the investigation of certain crimes. For example, the Council as a local authority investigate and prosecute:

- (a) fraud;
- (b) consumer protection offences (such as the sale of counterfeit and unsafe goods);
- (c) noise nuisance; and
- (d) non-compliance with planning enforcement notices.

These are just some examples of the myriad areas of enforcement the Council undertakes.

1.4 The Council can only use the provisions of RIPA in three areas - the acquisition and disclosure of communications data, the use of Directed Surveillance and covert human intelligence sources - for:-

'the purpose of preventing and detecting crime or preventing disorder'

1.5 The purpose of this policy is to provide guidance with regard to the use of Directed Surveillance, Covert Human Intelligence Sources (CHIS) and the acquisition and disclosure of Communications Data under RIPA. Covert Surveillance under RIPA requires internal authorisation as well as Court approval to reduce the risk of the information gathered being found to be inadmissible in court and/or expose the Council to liability for breach of Article 8.

1.6 The oversight provisions by the Office of Surveillance Commissioners (OSC)

with regard to Covert Surveillance and CHIS should also be noted - <http://Surveillancecommissioners.independent.gov.uk/> plus that of the Interception of Communications Commissioners Office (IOCCO) regarding Communications Data – <http://www.iocco.uk.info>

1.7 Codes of practice have been drawn up by the Home Office and these are referred to at Appendix 1 but are not reproduced. They can be inspected at the Home Office website:

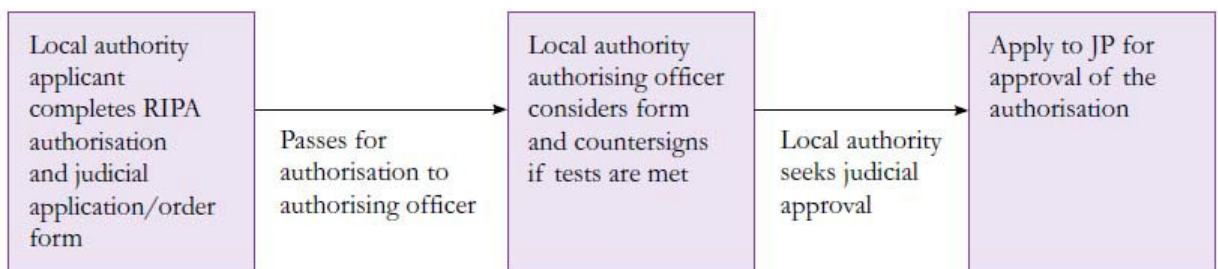
<http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-codes-of-practice/>

1.8 Advice may also be obtained from the Home Office Codes of Practice on “Covert Surveillance and Property Interference” and “Covert Human Intelligence Sources”, both dated December 2014, and the “Acquisition and Disclosure of Communications Data” dated March 2015..

1.9 This document applies to all Council staff and workers and to all contractors employed by the Council (all relevant Council contracts will include a term that this Policy and Guidance are to be observed by any contractor operating on behalf of the Council). Further it is important any Council officers satisfy themselves of the competence of any contractor to comply with RIPA and this Policy.

1.10 From 1 November 2012 all authorisations and renewals under RIPA need court approval before they can come into effect. Such approval must be sought from a Justice of the Peace in the Magistrates’ Court. The overall process is outlined below:

DIRECTED SURVEILLANCE / CHIS (COVERT HUMAN INTELLIGENCE SOURCE)



2. Key Terms

Key terms are defined and expanded upon here. These terms are capitalised throughout the document to indicate they have been defined in this paragraph.

“Authorising Officers”

Persons who have been trained to the appropriate level should be nominated as Authorising Officers. It will be the responsibility of these officers to

consider all RIPA applications and to grant or refuse authorisations, as appropriate. These Officers are central to the integrity of the process and it is vital that they understand their responsibilities being ultimately responsible to the Courts for the proper application of RIPA and this policy when considering requests for authorisation.

Under the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 the prescribed officers are "Directors, Heads of Service, Service Managers or equivalent". Appendix 2 sets out the Authorising Officers for the Council.

However, when knowledge of Confidential Information is likely to be acquired or when a vulnerable individual or juvenile is to be used as a CHIS only the Head of Paid Service can authorise the relevant activity (or, in his or her absence, the person acting as the Head of Paid Service).

Authorisations (and renewals of authorisations) only come into effect if and when approved by an order of the Magistrates' Court (see Appendix 3).

Amendments to the list in Appendix 2 are to be agreed by the **RIPA Coordinating Officer** (also defined in Appendix 2).

"Crime Threshold Test"

Directed Surveillance can only be used to prevent or detect criminal offences that are either:

- punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or
- an offence under:
 - section 146 of the Licensing Act 2003 (sale of alcohol to children);
 - section 147 of the Licensing Act 2003 (allowing the sale of alcohol to children);
 - section 147A of the Licensing Act 2003 (persistently selling alcohol to children);
 - section 7 of the Children and Young Persons Act 1933 (sale of tobacco, etc, to persons under eighteen).
- Section 91 of the Children and Families Act 2014 (purchase of tobacco, nicotine products etc. on behalf of persons under 18)
- Section 92 of the Children and Families Act 2014 (prohibition of sale of nicotine products to persons under 18)

This means, at the start of an investigation, Council officers will need to satisfy themselves that what they are investigating is a criminal offence falling into one of the above categories.

"Collateral Intrusion"

Collateral Intrusion is where the investigation is likely to unexpectedly interfere with the privacy of individuals who are not covered by the authorisation. Applications for authorisation should include an assessment of the risk of any Collateral Intrusion.

“Confidential Information”

This has the same meaning as is given to it in sections 98 to 100 of the Police Act 1997.

It consists of matters subject to legal privilege, communications between Members of Parliament and another person on constituency matters, confidential personal information, or confidential journalistic material:

- Legal Privilege - includes both oral and written communications between a professional legal adviser and his or her client or any person representing his or her client, made in connection with the giving of legal advice to the client or in contemplation of legal proceedings and for the purposes of such.

Communication and items held with the intention to further a criminal purpose are not matters subject to legal privilege.

- Confidential Personal Information

"Personal information" means information concerning an individual (whether living or dead) who can be identified from it and relating--

- (a) to his physical or mental health, or
- (b) to spiritual counselling or assistance given or to be given to him.

"Confidential Personal Information" means personal information (as defined directly above):

- (a) which a person has acquired or created in the course of any trade, business, profession or other occupation or for the purposes of any paid or unpaid office, and which he holds in confidence, and
- (b) communications as a result of which personal information--
 - (i) is acquired or created as mentioned in paragraph (a), and
 - (ii) is held in confidence.

- Confidential Journalistic Material - includes material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence, as well as communications resulting in information being acquired for the purposes of journalism and held subject to such an undertaking.

Extra care should be taken in cases where the subject of the investigation might expect a degree of privacy or where Confidential Information is involved.

Officers should be aware of the requirement for authorisation of such Confidential Information and if any doubt to seek legal advice.

“Covert Human Intelligence Sources (CHIS)”

Under section 26(8) of RIPA a person is a covert human intelligence source if s/he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating:

- (a) obtaining information;
- (b) providing access to information to another person; or
- (c) disclosing information obtained by the use of or as a consequence of such a relationship.

Surveillance by a human intelligence source is covert if:

- it is carried out in a manner calculated to ensure that persons who are subject to Surveillance are unaware that it is or may be taking place;
- if a relationship is established or maintained and then conducted in a manner calculated to ensure that one of the parties is unaware of the purpose; or
- any information obtained and disclosed is disclosed in a manner calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

Covert Surveillance

Covert Surveillance is defined, under s26(9)(a) as “Surveillance which is carried out in a manner calculated to ensure that the persons subject to the Surveillance are unaware that it is or may be taking place”, and is categorised as either Intrusive or Directed.

Directed Surveillance

Directed Surveillance is defined in section 26(2) of RIPA as Surveillance which is covert, but not intrusive, and undertaken:

- (a) for the purposes of a specific investigation or operation;
- (b) in such a manner as is likely to result in the obtaining of Private Information about a person (whether or not one is specifically identified for the purposes of the investigation or operation); and
- (c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation to be sought for the carrying out of the Surveillance.

Directed Surveillance involves the observation of a person or persons with the

intention of gathering Private Information to produce a detailed picture of a person's life, activities or associations. It does not include entry on or interference with property or wireless telegraphy (which the Council cannot do under RIPA), but may include the use of photographic and video equipment (including the use of CCTV).

“Intrusive Surveillance”

Intrusive Surveillance is defined in section 26(3) of RIPA as covert Surveillance that:-

is carried out in relation to anything taking place on any residential premises or in any private vehicle; and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a Surveillance device BUT Surveillance is not intrusive (but may still be directed) if it:-

- (a) is carried out by a vehicle tracking device (s26(4)(a)); or
- (b) involves the consensual interception of mail or telecommunications for which there is no interception warrant (s26(4)(b)); or
- c) involves a Surveillance device observing residential premises or a private vehicle, which device is not fitted in the premises or vehicle and which device does not consistently provide information of the quality and detail that would be obtained if the device was actually present on the premises or in the vehicle (s26(5)).

A local authority officer cannot be authorised to conduct Intrusive Surveillance.

“Judicial Approval”

The approval of Local Authority Authorisations under RIPA by a Justice of the Peace sitting in the Magistrates' Court (see Appendix 3)

“Private Information”

This includes, “in relation to a person”, any information relating to his or her private or family life.

Aspects such as gender identification, name, sexual orientation and sexual life are important elements of the personal sphere protected by Article 8. The Article also protects a right to identity and personal development, and the right to establish and develop relationships with other human beings and the outside world and it may include activities of a professional or business nature. There is, therefore, a zone of interaction of a person with others, even in a public context, which may fall within the scope of “private life”. It may be the case, therefore, that a person's private life may be concerned in measures affected outside a person's home or private premises. A person's reasonable expectations as to privacy are a

significant though not necessarily conclusive factor.

"Surveillance"

Includes (under s48(2):

- (a) monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications;
- (b) recording anything monitored, observed or listened to in the course of Surveillance; and
- (c) Surveillance by or with the assistance of a device.

DRAFT

3. Directed Surveillance

3.1 General

- 3.1.1 In general terms, Directed Surveillance is planned covert Surveillance which could not be classed as Intrusive Surveillance. To fall into the category of Directed Surveillance, the Surveillance must be undertaken for the purpose of a specific investigation or operation in a way likely to obtain Private Information about a person (otherwise than by immediate response to events). If Surveillance takes place as an immediate response to an event, no authorisation is required. Directed Surveillance is essentially Surveillance carried out in a manner calculated to ensure that the person who is the subject of the Surveillance is unaware that it is, or may be, taking place. Thus for example plain clothed trading standards officers attending a car boot sale to generally observe for sale of counterfeit material, and then observed such a sale would be acting as an immediate response to events and would not be considered to be Directed Surveillance. However if they attended the car boot sale acting on intelligence that a specific trader was selling illegal goods and then proceeded to “target” that trader and observe them then that is likely to be considered “Directed Surveillance”.
- 3.1.2 Directed Surveillance can only be used if authorised in accordance with this Policy and only then after the authorisation has been approved by an order of the Magistrates’ Court
- 3.1.3 Directed Surveillance can only be used to prevent or detect criminal offences that meet the Crime Threshold Test
- 3.1.4 During the course of an investigation the type and seriousness of offences may change. The option of authorising Directed Surveillance is dependent on the offence under investigation meeting the Crime Threshold Test. Providing this is the case, an application for authorisation or approval can be made. However, if during the investigation it becomes clear that the activity being investigated does not amount to a criminal offence or that it would be a less serious offence that does not meet the threshold the use of Directed Surveillance should cease. If a Directed Surveillance authorisation is already in force it should be cancelled.
- 3.1.5 Directed Surveillance will be authorised against a specific offence which meets the threshold, and the type and the timing of the deployment of the Surveillance will always reflect this.

3.2 Further points on Directed Surveillance

- 3.2.1 A dog warden, who *happens* to see a dog fouling offence being committed, would not be said to be undertaking Directed Surveillance in the RIPA sense. To be planned Surveillance, there needs to be a specific purpose or investigation. (It’s also unlikely this offence would meet the Crime Threshold Test.)
- 3.2.2 If an investigating officer responds to an immediate event this would not be Directed Surveillance. If the officer subsequently planned a follow-up visit for the specific purpose of carrying out observations this would be classified as Directed Surveillance and would require authorisation.

- 3.2.3 Directed Surveillance is usually undertaken by means of an individual officer watching or recording the person while they undertake or are suspected of undertaking the prohibited activity. It can also include an officer making a test purchase from a person when the transaction is captured on a recording device that may be worn by the officer. It is not necessary for the recording to be visual; an audio recording only would also be classed as Directed Surveillance. Evidence can also be gained by way of photography.
- 3.2.4 Hidden cameras in a public place or targeted CCTV also constitute covert Surveillance. In such circumstances a CCTV camera is trained on a specific person or a spot at a particular time in order to observe the activities of a particular person or group of persons. That being said, where CCTV is used in the monitoring of public areas in an overt way and just happen to catch a criminal act, this would **not** be classified as covert Surveillance.
- 3.2.5 RIPA covers local authorities; therefore any contractor, employee or worker of the Council is covered. It does not include local authorities acting on information that is received from members of the public acting on their own volition. For example, neighbours filming nuisance activities across the road behind their net curtains and then giving the tape to Environmental Health for action or as evidence without being actively recruited to do so does not require authorisation.
- 3.2.6 A public authority may only engage RIPA when in performance of its 'core functions' – i.e. the 'specific public functions', undertaken by a particular authority, in contrast to the 'ordinary functions' which are those undertaken by all authorities (e.g. employment issues, contractual arrangements etc) see *C v The Police and the Secretary of State for the Home Office – IPT/03/32/H*). The disciplining of an employee is not a 'core function', although related criminal investigations may be.
- 3.2.7 More details are set out in the Council's relevant employment policies.

Examples of Directed Surveillance by local authority investigators

- (a) a recorded test purchase such as a suspected pirate DVD or counterfeit goods being purchased from a market trader.
- (b) the training of a CCTV camera onto a particular trading premises to establish who opens and closes the premises each day.
- (c) observing of persons suspected of serious or serial benefit fraud to see if they are going to and from a place of work
- (d) following of a person suspected of dangerous waste dumping.
- (e) the taping of nuisance tenants (to measure the level of sound) by Housing Officers or contractors engaged by them for the purposes set out in the Anti-Social Behaviour Act 2003.

This list is not exhaustive. It is illustrative of the types of activities that local authority investigators engage in and which would be classed as Directed Surveillance. Activities such as the test purchasing of alcohol and cigarettes by underage persons need to be considered on a case-by-case basis.

3.2.8 Examples of what does not constitute Directed Surveillance:

- “Hot spot targeting” e.g. licensing officers standing on a street to monitor private hire cars plying for hire illegally where this is not part of a planned operation, or Surveillance on a fly-tipping or a dog-fouling clear up.
- Overt CCTV or Surveillance by way of an immediate response to events.
- Overt investigations, e.g. a Benefits Officer visiting a person to make enquiries and declaring their status and intention or Environmental Health Officers declaring their status and intention.

4. **Covert Human Intelligent Sources (CHIS)**

- 4.1 A CHIS is a person who establishes or maintains a personal relationship or other relationship with a person in order to covertly obtain or disclose information (Section 26 (8) (a) to (c) of RIPA). The code of practice recognises CHIS as agents, informants or officers working under cover. In the case of a local authority a CHIS would normally be an informant or an officer working under cover.
- 4.2 As with covert Surveillance, a CHIS would not be a member of the public who volunteers information to the local authority, such as a person who complains that they purchased food past its use-by date from their local supermarket. In this case the relationship between customer and provider is too remote. It should also be considered that the information may well be given secretly and may not be revealed to the defendant as it may be deemed to be sensitive in accordance with the Criminal Procedure and Investigations Act 1996. It should also be borne in mind that an informant may well be providing regular information during an investigation, and if requested to continue to do so will be a CHIS whereas a member of the public complaining is usually a one-off and will not be a CHIS.
- 4.3 The rules of evidence permit investigators to use ruses to gain information provided that the person is not persuaded into committing an unlawful act that they otherwise would not have committed. For example trading standards officers may masquerade as members of the public when visiting a car dealer and may pose questions that a prospective customer might well ask and in doing so may well gain information. In such cases this officer would be a CHIS as they would be deemed to be an officer working under cover and could be seen to be seeking to gain a person’s trust. An officer who merely goes into a shop and purchases an item without engaging in dialogue except for, ‘how much?’ and ‘thank you’, would not be a CHIS. Although in this circumstance the officer is working under cover, they are not seeking information from that person or intending to gain that person’s trust. In extreme situations, trading standards officers and police have gone under cover and worked in establishments to gain information.
- 4.4 It should be noted that an officer who attends a premises and identifies him/herself and then either carries out a statutory inspection or has entered in pursuance of a warrant of entry issued by a court, is not a CHIS. There is nothing covert about their visit.
- 4.5 The use and/or conduct of a CHIS must be authorised internally (see paragraph 7 below). Further, such an authorisation can only come into effect once approved by an order of the Magistrates’ Court (see Appendix 3).

Additional Considerations when using a CHIS

- 4.6 If a CHIS is a juvenile or a vulnerable person the authorisation can only be given by the Chief Executive (as Head of Paid Service) (see Appendix 2).
- 4.8 Furthermore, the Council must have arrangements in place for ensuring that there will be at all times a person holding a position or office within the Council who will have day to day responsibility for dealing with the CHIS on behalf of the Authority. This will include the CHIS's security and welfare. They are known as a "Handler". In addition to this person, the Council must also ensure that there will be at all times another person who will have general oversight of the use made of the CHIS (known as a "Controller"). It is suggested that the former is the officer having responsibility for the general management of the case and the latter is the appropriate Authorising Officer.
- 4.8A It is particularly important that before authorising use of a CHIS, that the Authorising Officer ensures that a risk assessment has been carried out with respect to an risk to the security and welfare of the CHIS, and others who may be foreseeably affected by the operation. This extends to the assessment of any risk that may exist after the cancellation of the authorisation and must include the management of any requirement to disclose the existence or identity of the CHIS in any subsequent legal proceedings.
- 4.8B As the CHIS activity continues the remit of the authorisation and the risk assessment must be kept under regular review, this is the primarily the responsibility of the "handler". Any activity outside of the authorisation and / or any need to extend the remit must be reported to the Authorising Officer. If the remit needs to be extended then this can only be done via judicial approval.
- 4.8C A CHIS may be authorised to use or have a covert recording device on their person. This is generally permissible subject to the usual considerations of proportionality. However where a CHIS enters a private residence or vehicle then that may constitute "intrusive surveillance" which is strictly prohibited by RIPA in respects of Local Authorities. Any authorisation should anticipate if this may occur and if so set out steps to minimise the risk of, if not prevent, this happening.
- 4.8D There must be a centrally retrievable record of CHIS authorisations containing only:
- a) The name, or the code name, of the Unique identifying reference of the CHIS
 - b) Dates of the authorisation / renewal and cancellation of the CHIS
 - c) Whether the CHIS is "self-authorised" (which is very unlikely in the circumstances of a local authority)

These records must be held for 5 years from the date that the authorisation ends.

- 4.9 Separately other records must be held with reference to the individual authorisation. The officer in charge of maintaining a record of the use of a CHIS must also, at all times, record the following particulars as specified by the Secretary of State:
- (a) The identity of the CHIS.
 - (b) The identity, where known, used by the CHIS.

- (c) Any relevant investigating authority other than the authority maintaining the records.
- (d) The means by which the source was referred to within each relevant investigating authority.
- (e) Any other significant information connected with the security and welfare of the CHIS.
- (f) Any confirmation made by the Authorising Officer for the conduct or use of a CHIS that the information in paragraph 5 above has been considered and that any identified risks to the security and welfare of the CHIS have, where appropriate, been explained to and understood by the CHIS.
- (g) The date when and the circumstances in which the CHIS was recruited.
- (h) The identities of the Authorising Officer and the officer who applied for the use of the CHIS.
- (i) The periods during which those persons have discharged those responsibilities.
- (j) The tasks given to the CHIS and the demands made of him/her in relation to his/her activities as a CHIS.
- (k) All contacts or communications between the CHIS and a person acting on behalf of any relevant investigating authority.
- (l) The information obtained by each relevant investigating authority by the conduct or use of the CHIS.
- (m) Any dissemination by that authority of information in that way.
- (n) In the case of a CHIS who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the CHIS's activities for the benefit of that or any other relevant investigating authority.

4.10 In addition the records or copies of documents required by paragraph 7.6 of the CHIS/COP should be retained for 5 years.

4.11 The intention is that adequate records must be kept in such a way that the CHIS is safe from discovery by the subject(s) of the investigation and safe from any harm which could result from a disclosure of information. Further, it is meant to keep in the open any money or benefits paid to the CHIS who is not employed by the Council. See paragraph 11.5 for further requirements in relation the use of a CHIS.

5. Necessity and Proportionality

5.1 When engaging in covert Surveillance, including use of a CHIS, the most likely Article of the ECHR to be breached is Article 8 referred to in paragraph 1.1 above. This is a qualified right and can be interfered with, if:

- (a) the aim of such interference is necessary for the purpose of preventing and the detection of crime or preventing disorder (see paragraph 7.2 below); and
- (b) the covert activities are proportionate in the circumstances of the particular case.

5.2 If the activities are necessary, the person granting the authorisation must believe that they are proportionate to what is sought to be achieved by carrying them out. This involves balancing the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means.

5.3 Covert Surveillance should therefore be used as a last resort.

6. General Provisions about Authorisations

6.1 Where an investigating officer of the Council wishes to engage in covert Surveillance, or wishes to either operate as or use a CHIS, RIPA sets out procedures for who can authorise and what the evidence obtained is to be used for. In order to perform covert Surveillance or to operate/use a CHIS, the officer who wishes to do so must obtain:

Step 1: **authorisation** by the appropriate nominated officer ('Authorising Officer') (See Appendix 2),

Step 2: **approval** of the authorisation by the Magistrates (See Appendix 3)

6.2 Surveillance must only be authorised where it is believed that the Surveillance is necessary under the ground set out in paragraph 7 and is proportionate to what it seeks to achieve. To protect privacy, and comply with the HRA, all Council services will need to demonstrate that any intrusion into an individual's privacy is essential to an investigation.

6.3 Where Surveillance is considered appropriate it must still be authorised and then approved by an order of the Magistrates' Court before it can commence.

6.4 Authorising Officers will need to satisfy themselves that a defensible case can be made for Surveillance activity. The matters which the Authorising Officer must consider are set out in Section 8 below. Obtaining an authorisation and Magistrates' approval will ensure that the action is carried out in accordance with the law and subject to stringent safeguards against abuse. It will also make the action less vulnerable to challenge under the HRA

- 6.5 Where an authorisation is approved for Directed Surveillance / CHIS then it must only be carried out in accordance with the authorisation and only for the purposes of the investigation specified or described. It is also vital that the remit of the authorisation is communicated to and understood by, the Surveillance officers or the CHIS.
- 6.6 In no circumstance must any Covert Surveillance operation be given backdated authorisation after it has commenced. Embarking upon Directed Surveillance or the use of a CHIS without court-approved authorisation or conducting Covert Surveillance outside the scope of the authorisation will mean that the 'protective umbrella' of RIPA is unavailable and so any evidence obtained is likely to be inadmissible in court. This may also result in disciplinary action being taken against the officer/officers concerned within the Council's Human Resources policies and procedures.

7. Grounds for Authorisation

- 7.1 Authorisation for Directed Surveillance or the use of a CHIS may be granted by an Authorising Officer where and only where s/he believes:-
- (a) that the authorisation is necessary for the purpose of preventing and detecting crime or preventing disorder; and
 - (b) that the authorised Surveillance is proportionate to that which is sought to be achieved (see paragraph 5).
- 7.2 Authorisation for using a CHIS can only be given for preventing or detecting crime or of preventing disorder.
- 7.3 Authorisation for Directed Surveillance can only be given for preventing or detecting criminal offences that meet the Crime Threshold Test. Directed Surveillance **cannot** be used for offences below that threshold or to prevent disorder.
- 7.4 Detecting crime includes establishing by whom, for what purpose, by what means and generally in what circumstances any crime was committed, the gathering of evidence for use in any legal proceedings and the apprehension of the person (or persons) by whom any crime was committed. Preventing or detecting crime goes beyond the prosecution of offenders and includes actions taken to avert, end or disrupt the commission of criminal offences.
- 7.5 In the case of crime when the investigator comes to the Authorising Officer the latter will be hard pressed, in many cases, to know whether s/he is satisfied that the investigation will follow the criminal route. If the concern is disorder this problem is greatly reduced since the evidence is being gathered to be presented for a wide range of remedies. Thus use of a CHIS under RIPA can be used in cases where disorder is being alleged under the Anti-Social Behaviour Act 2003.

8 Completing the Forms for Authorisation

- 8.1 The investigating officer seeking authorisation does this by completing the necessary form. To ensure that the current forms are being used, they should be downloaded from the Home Office Website each time a new Authorisation is being sought at <https://www.gov.uk/government/collections/ripa-forms--2>

When completing these forms for authorisation, they should provide:

- Name(s) (where known) or description(s) of the person(s) who is/are to be the subject of the Surveillance as well as any known history and character of that/those person(s).
- The location of the person who is the subject of the Surveillance or where such Surveillance is to take place and (if relevant) the place where the CHIS is to be located.
- The type of Surveillance device or equipment to be used (if any).
- The type of activities, numbers and names of officers who will be CHIS's (if relevant).
- The purpose of which the Surveillance is to be undertaken or CHIS used. As stated above, it also has to be demonstrated why it is necessary to use covert Surveillance or a CHIS.
- It must specify why the Surveillance to be undertaken or CHIS used is proportionate and in this context specifying:
 - (a) The objectives of the Surveillance or the use of the CHIS
 - (b) The crime or disorder being investigated
 - (c) Why the Surveillance or the use of a CHIS should be used in preference to other methods of investigation
 - (d) Why it would be more practicable
- For Directed Surveillance, confirmation that the criminal offence(s) (which should also encompass any "disorder") meet the Crime Threshold Test, and brief details in support of this confirmation.
- The objectives of the activities.
- The name and nature of the investigation or operation and what makes the Authorising Officer believe Surveillance or the use of the CHIS will achieve the objectives.
- The risk of information relating to third parties' private and family lives being obtained i.e. Collateral Intrusion.

- The likelihood of acquiring any confidential/religious material.
- The period of review that will apply
- Whether the Authorisation was ultimately refused and reasons why

9. Duration of Authorisations

(a) Time Limits

9.1 Authorisations have a duration as follows:

- | | |
|---|---|
| • Directed Surveillance | 3 months from grant of judicial approval |
| • Covert human intelligence source (where CHIS 18 or older) | 12 months from grant of judicial approval |
| • Covert human intelligence source (where CHIS under 18) | 1 month from grant of judicial approval |

and will cease to have effect after these periods. However, the authorisations will continue to exist until cancelled. The process of controlling RIPA authorisations should be by review and cancellation. If they are no longer required they should be cancelled proactively and not simply allowed to expire (see paragraph 9.9).

(b) Review

9.2 Once granted, an authorisation should be reviewed regularly, at least as required by the Authorisation, by the officer managing the case to assess whether or not the activity authorised continues to be **necessary** and **proportionate**. The Authorising Officer should be notified of any instances where these criteria are no longer met. Reviews should be more frequent when access to Confidential Information or Collateral Intrusion is involved. Review frequency should be as often as the Authorising Officer deems practicable. Judicial approval is not required for an internal review.

9.3 The Authorisation forms should be used in conducting a review of Covert Surveillance or a CHIS.

(c) Renewal

9.4 If at any time before an authorisation would cease to have effect the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, they may renew it in writing for a further period not exceeding the relevant time limits in paragraph 9.1. Once authorised, renewals must also be approved by the Magistrates' as with initial authorisations (see Appendix 3).

- 9.5 A renewal takes effect at the time at which, or day on which the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until shortly before the authorisation period is drawing to an end. Any person who would be entitled to grant a new authorisation can renew an authorisation. Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.
- 9.6 An application for renewal should be made to the officer who granted the original authorisation unless there is a very good reason not to do so (e.g. because the original Authorising Officer is on annual leave/ has left the Council).
- 9.7 Applications for renewal should be made using the forms contained in Appendices 4
- 9.8 Authorisations may be renewed more than once, if necessary, and the renewal should be kept/recorded as part of the central record of authorisations.

(d) Cancellation

- 9.9 Finally with regards to authorisations, an authorisation must be cancelled by the person who granted or renewed it if that person is satisfied that the authorisation is no longer necessary on the ground under which it was granted or renewed or it is no longer proportionate to what is sought to be achieved by carrying it out. Alternatively, in the case of the authorisation of a CHIS, that person is satisfied that arrangements for the CHIS's case that satisfy the requirements as set out above no longer exist. When cancelling, the forms contained in Appendices 4 and 5 should be used. Judicial approval is not needed for a cancellation.

10 RIPA Coordinating Officer and Record Keeping

- 10.1 The RIPA Coordinating Officer will keep this Policy and Guidance document under review and will amend it to accord with best practice. They will also hold a centrally retrievable record of all authorisations and regularly update it whenever an authorization is granted, renewed or cancelled. The record will be made available to an Inspector from the Office of Surveillance Commissioners, upon request. The record will be retained for a period of at least five years from the ending of the authorisation and will contain the following information:

- the type of authorisation;
- the date the authorisation was given;
- name and rank of the Authorising Officer;
- the unique reference number (URN) of the investigation or operation;
- the title of the investigation or operation, including a brief description and names of subjects, if known;
- Length of the Authorisation
- Review Periods

- if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and rank of the Authorising Officer;
- whether the investigation or operation is likely to result in obtaining Confidential Information as defined in this code of practice;
- the details and outcome of applications to the Magistrates' for judicial approval, including names of Magistrates and dates and times of hearings
- the date the authorisation was cancelled.

10.2 All original authorisations, renewals and cancellations shall be held by the RIPA Coordinating Officer with copies held by the Authorising Officer. These will include:

- a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a copy of the court order approving the authorisation
- a record of the period over which the Surveillance has taken place;
- the frequency of reviews prescribed by the Authorising Officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the Authorising Officer.
- The Cancellation Form

11 Record Keeping – Generally

11.1 Copies of all written authorisations and reviews should be kept for a period of five years from the ending of the Authorisation or longer if required by the Criminal Procedure and Investigations Act 1996..

11.2 All information that is obtained during Surveillance undertaken for the purpose of a criminal investigation is recorded by means of a Surveillance log. This log should give an account of the events observed and conversations heard and the time and date of such events or conversations. As it is unlikely that such a log would be completed contemporaneously, the date and time that the entry is made should also be noted as well as the name of the person making the entry.

11.3 Where an authorisation is reviewed and either granted, withdrawn or refused then the review must be recorded in writing on the relevant form.

- 11.4 At no time must any of the recorded information be disclosed or used, except for the purposes for which it was gathered at that time or for use in any future criminal or civil proceedings involving the Council, or if disclosure is required by law.
- 11.5 All of the information obtained by a CHIS and by the officer responsible for recording the use of the CHIS is to be recorded in a daily log similar to that referred to above for Surveillance. Where such a log also reveals the name of the CHIS this should only be disclosed if either legally necessary or if required by a Court. See paragraphs 4.6 to 4.10 for further requirements in relation to the use of a CHIS. Material produced by Covert Surveillance and use of CHIS will be retained in accordance with law, such as the requirements of the Criminal Procedure and Investigations Act 1996.
- 11.6 The Freedom of Information Act 2000 (FOIA) provides for the general rights of access to recorded information held by public authorities and specifies the conditions before a request has to be complied with. The advice of the RIPA Coordinating Officer should be sought for any requests to see the authorisation documents under the FOIA.

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12 Use of Covert Surveillance equipment, data security and data sharing

- 12.1 Covert Surveillance equipment will only be installed with the necessary authorisation of the Council's Authorising Officers and only then when that authorisation has been approved by the Magistrates'. It will only be installed in residential premises if a member of the public has requested help or referred a complaint to the Council and such matter can only be investigated with the aid of Covert Surveillance techniques. Any permission to locate Surveillance equipment on residential premises must be obtained in writing from the householder or tenant, and should encompass all occupiers of the premises.
- 12.2 Any request by a Council officer to a resident to keep a video/audio/written diary as part of a covert evidence-gathering exercise will be regarded as a Covert Surveillance exercise conducted on behalf of the Council and must be authorised and judicially approved in accordance with this policy.
- 12.3 During a covert operation, recorded material or information collected will be stored and transported securely. It will be reviewed daily and access to it will be restricted to the investigating officers and the Authorising Officer concerned. The RIPA Monitoring and Coordinating Officer will decide whether to allow requests for access by third parties including other Council officers. Access will generally only be allowed to limited and prescribed parties, including law enforcement agencies, prosecution agencies, legal representatives and the people subject to the Surveillance (unless disclosure would prejudice any criminal enquiries or proceedings). Requests for access will be dealt with in accordance with the Data Protection Act 1998.
- 12.4 A register will be maintained by the Authorising Officers of all reviews of material recorded and collected covertly.
- 12.5 Only high-quality digital or other recordings will be used. All DVDs and audiotapes will be identified uniquely. A register will be kept of all DVDs used to control the period of time they are retained (31 days) if not required for evidential purposes and the number of times they are re-used before being destroyed.
- 12.6 A register of recording and other surveillance equipment should be maintained to include details of its use.

13 Closed Circuit Television (CCTV)

- 13.1 Slough Borough Council is committed to respecting people's rights to privacy and supports the individual's entitlement to go about their lawful business; this is a primary consideration in the operation of any CCTV system operated by the council.
- 13.2 The Council uses secure video imaging systems (CCTV) in public spaces, within car parks and at a number of council owned and operated sites across the borough.
- 13.3 The Council's CCTV policy at:

<http://www.slough.gov.uk/crime-prevention-and-emergencies/cctv.aspx>

covers the purchase and use of CCTV equipment and includes the use of cameras for RIPA purposes.

14 The "Policing" of RIPA

- 14.1 RIPA is overseen by Surveillance Commissioners. They are tasked with ensuring that RIPA is being applied properly. Inspections can be carried out at regular intervals.
- 14.2 In addition, any person aggrieved by the way a local authority carries out covert Surveillance can apply to a Tribunal for redress, within a year of the act complained of or any longer period that the Tribunal thinks it just and equitable to allow. This Tribunal can quash any authorisation and can order the destruction of information held or obtained in pursuit of it. It can award compensation, but its findings may be of use in a Human Rights case challenge or as a defence to a case brought by the Council or in a referral to the Local Government Ombudsman or a complaint to the Information Commissioner, from where compensation awards can flow.

15 Consequences of Non Compliance

15.1 Where covert Surveillance work is being proposed, this Policy and Procedural Guidance should be strictly adhered to in order to protect both the Council and individual officers from the following:

- (a) **Inadmissible Evidence** - there is a risk that, if Covert Surveillance and Covert Human Intelligence Sources (both defined at paragraph 2) are not handled properly, the evidence obtained may be held to be inadmissible.
- (b) **Legal Challenge** – as a potential breach of Article 8 of the European Convention on Human Rights, which establishes a “right to respect private and family life, home and correspondence”, incorporated into English Law by the HRA. This could not only cause embarrassment to the Council but any person aggrieved by the way it has carried out Covert Surveillance can apply to a Tribunal under RIPA for redress within a year of the act complained of or any longer period that the Tribunal thinks it just and equitable to allow. This Tribunal can quash any authorisation and can order the destruction of information held or obtained in pursuit of it. It cannot, as yet, award compensation but its findings may be of use in a Human Rights case challenge, as a defence to a case brought by the Council, in a referral to the Local Government Ombudsman or a complaint to the Information Commissioner from where compensation awards can flow.
- (c) **Censure** – the OSC conduct regular audits on how local authorities implement RIPA. If it is found that a local authority is not implementing RIPA properly then this could result in censure and reputational damage.
- (d) **Disciplinary Action** – failure of officers to comply with this Policy and Procedural Guidance may be regarded as a disciplinary offence under the Council’s Disciplinary Policies and Procedures.

16. Complaints Procedures

16.1 The Council’s Complaints Procedure should be used for any complaint, regarding breach of this Policy and Guidance.

16.2 Contravention of the Data Protection Act 1998 should be reported to the Head of Paid Service and the Information Commissioner,

17. The Role of Elected Members

Elected members of a local authority have the following responsibilities with regard to RIPA which rests primarily with the Commissioner for Regulation & Consumer Protection :

The Commissioner :

- should review the authority’s use of RIPA and present an annual report to Cabinet
- should seek endorsement from Cabinet to set the policy at least once a year;
- should consider internal reports on the use of RIPA on at least a quarterly basis to ensure that it is being used consistently with the local authority’s policy and that the policy remains fit for purpose;
- should not be involved in making decisions on specific authorisations.

18. RIPA Coordinating Officer

The RIPA Coordinating Officer (referred to in the Code of Practice as the ‘Senior Officer’) will be a person holding the office, rank or position of an Authorising Officer and should be a member of the corporate leadership team.

The RIPA Coordinating Officer has responsibilities for -

- ensuring that all Authorising Officers are of an appropriate standard;
- addressing any concerns about the standards of Authorising Officers;
- the integrity of the processes in place for the management of CHIS and Directed Surveillance authorisations;
- compliance with RIPA and with the Codes;
- oversight of the reporting of errors to the OSC etc;
- engagement with the OSC when they conduct their inspections;
- where necessary, oversight of the implementation of post-inspection action plans approved by the OSC

19. Communications Data

This aspect of the manual sets out the Council’s policies, procedures and Codes of Practice regarding the acquisition of communications data (Comms Data). Designated Officers for Comms Data purposes are detailed at Appendix 5

In all cases applications for Comms data will be made through the National Anti Fraud Network (NAFN)

The application of the procedures in this section is mandatory for all Council service areas that undertake these functions. The Section has been drafted based upon current legislation namely, **Part 1 Chapter II of RIPA**, the relevant Statutory Instruments and **Home Office Acquisition & Disclosure of Communications Data Code of Practice**.
<https://www.gov.uk/government/publications/code-of-practice-for-the-acquisition-and-disclosure-of-communications-data>

19.1 LAW & PROCEDURE

What is Comms Data?

- (a) Postal service or telecommunications data other than interception consisting in interception of communications in the course of their transmission by means of such a service or system; and
- (b) the disclosure to any person of communications data

The definition of Communications data is:-

- (a) Traffic data comprised in or attached to a communication
- (b) Any information which includes none of the contents of a communication and is about the use made by any person –
 - (i) Of any postal service or telecommunications service; or
 - (ii) In connection with the provision to or use by any person of any telecommunication system

19.2 Basis for lawful acquisition of data

Local Authorities are permitted in limited circumstances to obtain communications data, which would result in the subject's Right to Privacy being infringed.

RIPA Part II Chapter II and Protection of Freedoms Act 2012 [POFA] provides the statutory framework to enable the acquisition of communications data to be lawfully authorised and conducted so as to ensure it is compatible with **Article 8**.

19.3 What are Local Authorities permitted to obtain?

The grounds upon on which Communications Data can be acquired are contained within **Section 22(2) (a)-(h)**.

Local Authorities are only permitted to utilise **subsection (b) namely** for the purposes of "preventing or detecting crime," [The Regulation of Investigatory Powers (Directed Surveillance) and Covert Human Intelligence Sources) (Amendment) Order 2012].

19.4 Designated Person

A Designated Person [DP] is the equivalent to an Authorising Officer for Directed Surveillance and/or CHIS.

Council personnel authorised to be DP's are individuals holding the ranks prescribed by the by **The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence sources) Order 2010** which came into force on 6th April 2010 namely:-

- Director
- Head of Service
- Service Manager or equivalent

There are currently [2] Designated Persons for Slough Borough Council, see Appendix 5].

19.5 What is the Designated Person Authorising?

The DP is authorising otherwise unlawful activity namely acquisition of data, which would otherwise engage the subject's **Article 8** Right to Private and Family life.

19.6 What is the Designated Person Requesting?

DP by notice to postal or telecommunications operation require the operator

- (a) If operation not already in possession of the data, to obtain the data and
- (b) In any case, to disclose all of the data in his possession or subsequently obtained by him

19.7 Two Tests of Necessity & Proportionality

a) Necessity

A DP must not grant an authorisation or give notice unless he believes that obtaining the data is necessary on the seven grounds falling within **Section 22(2)**. As indicated, local authorities are only permitted to utilise one of the seven grounds **(b)** which has been restricted to the Prevention or Detection of Crime.

b) Proportionality

A DP not grant authorisation or give notice unless he believes that obtaining the data or required by the authorisation or notice is proportionate to what is sought to be achieved.

19.7 Judicial Approval

In order to be able to lawfully obtain Comms Data, Judicial Approval must be obtained. Please follow the procedure set out in Appendix 3. Pack for presentation to Magistrates' to seek judicial approval are provided by NAFN on the approval process has been completed.

Failure to satisfy legislation – consequences

Please see paragraph 15

19.8 Slough's Centralised System

As detailed in para 10 and 18 The RIPA Co-ordinating Officer is responsible for maintaining a register of RIPA applications. All officers must discuss the intention of applying for a RIPA authorisation and once agreed the investigating officer must obtain a URN before progressing with the application. It is the responsibility of the applying officer to provide details to the RIPA Coordinating Officers team on progress of the RIPA authorisation application, use and if appropriate renewal and revocation. Refer to Quick Guide and flow chart on page 34.

19.9 Forms to be Used

Applications for Comms data are made on line via the NAFN portal

19.10 Relevant Definitions

a) Single Point of Contact [SPOC]

SPOCs are an accredited individual or group trained to facilitate the lawful acquisition of communications data and effective co-operation between a public authority and a CSP. For all Comms Data applications the Council uses NAFN SPOCs.

b) CSP

An operator who provides postal or communications data is described as a communications service provider [CSP].

c) Notices

Giving of a notice is appropriate where a CSP is able to retrieve or obtain specific data, and to disclose that data, unless the grant of an authorisation is more appropriate. A notice may require a CSP to obtain any communications data, if that data is not already in its possession. The decision of a designated person whether to give a notice shall be based upon information presented to them in an application.

d) Duration

Authorisations or Notices last 1 month from the date of Judicial Approval.

e) Renewal

Authorisations or Notices can be renewed for up to 1 month but Judicial Approval must be obtained.

f) Cancellation

If at any time after giving the notice, it is no longer necessary for the CSP to comply with the notice or the conduct required by the notice is no longer proportionate to what was sought to be achieved, the authorisation or notice should be cancelled.

g) Urgent Oral Applications

Oral Applications can be made to the DP in exceptional circumstances.

19.11 Disclosure Duties & Procedure

a) Please see paragraph 19 above.

b) Original Application

To be retained by the SPOC

c) Golden Copy

Any documents or material provided to the Commission by a CSP as a result of a RIPA enquiry must be retained. This material is referred to by IOCCO as the 'Golden Copy' and this should always be available to be adduced in future legal proceedings if required. This is particularly important as the CSP may not retain the original data, depending on their retention policy.

19.12 Central Retrievable Record of Authorisations & Notice

All applications, authorisations copies of notices, and records of the withdrawal of authorisations and the cancellation of notices, must be retained by the senior responsible Officer in an electronic form, within a folder per URN. In addition, Trading Standards maintain an Electronic Central Retrievable Record of Authorisations and Notices, which may be via NAFN

19.13 Senior Responsible Officer

The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order came into force along with an updated version of the Home Office's COP on 6th April 2010, which contained a mandatory requirement to appoint a Senior Responsible Officer. The Senior Responsible Officer at Slough Borough Council for Comms Data is the Trading Standards Manager

The Senior Responsible Officer [SRO] must be responsible for:-
the integrity of the process;
compliance with Act and Code;
oversight of reporting errors and reasons;
facilitating inspections.

19.13 Recordable Errors

Each public authority has a duty to keep a log of recordable errors. The record will be maintained by the Monitoring Officer.

The following are Reportable Errors:-

- An authorisation or notice made for a purpose, or for a type of data, which the relevant public authority cannot call upon, or seek, under the Act;
- human error, such as incorrect transposition of information from an application to an authorisation or notice
- disclosure of the wrong data by a CSP when complying with a notice;
- acquisition of the wrong data by a public authority when engaging in conduct specified in an authorisation;

19.14 Training & Monitoring

20.1 In order to be a DP all officers must have attended a suitable training course and be accredited as such. Thereafter the SRO should ensure that all DP's receive regular updates and training as and when required. All officers utilising RIPA for the acquisition of communications data must also have attended a suitable training course.

19.15 The Interception of Communications Commissioner [IOCCO]

IOCCO is the governing body for the Acquisition of Comms Data and deal with the following in particular:

- Recordable errors to be reported to IOCCO
- Request Comms Data Statistical Information once a year
- Conduct Inspections of LBB [LAs] usually every 2 years

19.16 Codes of Practice

Home Office Acquisition of Communications Data to be accessed via the following link:-
<https://www.gov.uk/government/publications/code-of-practice-for-the-acquisition-and-disclosure-of-communications-data>

APPENDIX 1

All codes of practice are available using the following link:

<https://www.gov.uk/government/collections/ripa-codes>

All documents relating to RIPA forms are available using the following link:

<https://www.gov.uk/government/collections/ripa-forms--2>

Further useful information for Local Authorities can also be found on the Office of Surveillance Commissioners website:

<https://osc.independent.gov.uk/>

Also, see the Home Office guidance to local authorities in England and Wales on the judicial approval process for RIPA and the crime threshold for Directed Surveillance. This is available on:

<https://www.gov.uk/government/publications/changes-to-local-authority-use-of-ripa>

APPENDIX 2

DESIGNATION OF AUTHORISING OFFICERS

The following officers are designated by the Council to authorise, renew and cancel Directed Surveillance or the use of covert human information sources (CHIS).

Title of Officer	Service Area
Strategic Director Customer & Community Services	Enforcement of housing and council tax benefits including the investigation of fraud in connection therewith
Strategic Director Regeneration, Housing & Resources	Planning and building control, environmental health and trading standards.
Strategic Director Regeneration, Housing & Resources	All matters involving (1) financial irregularity (excluding housing and council tax benefits) and (2) issues relating to employees and workers.
Head of Legal Services	All other service areas
Chief Executive - Head of Paid Service (or in absence chief officer)	Authorisation of a juvenile or vulnerable person as a CHIS and where the obtaining of Confidential Information is likely.

The above officers are appointed and designated **Authorising Officers** under the Regulation of Investigatory Powers (Directed Surveillance & Covert Human Intelligence Sources) Order 2010.

The RIPA Coordinating Officer is the Monitoring Officer.

The Council also designate the named officers' successors where they are responsible for the service area and have received Council training in the use of RIPA.

Judicial Approval

- a) Officers wishing use Directed Surveillance or a CHIS first need to obtain internal authorisation in accordance with this Policy. However **an authorisation does not take effect unless and until it has been approved by a Justice of the Peace (JP)** (i.e. a District Judge or lay magistrate). If at the hearing the JP is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.
- b) The hearing will not be in open court, and no press, public, the subject of the investigation or the subject's legal representative will be present. In order to maintain privacy, notice of the application is not required to the person whom the authorisation concerns or that person's legal representatives.

Making the Application

- c) The flowchart below outlines the procedure for applying for judicial approval. Following approval by the Authorising Officer the first stage of the process is for the Council to contact Her Majesty's Courts and Tribunals Service (HMCTS) administration team at the magistrates' court to arrange a hearing.
- d) The Council will provide the JP with a copy of the original RIPA authorisation or notice and the supporting documents setting out the case. This forms the basis of the application to the JP and **should contain all information that is relied upon**.
- e) The original RIPA authorisation or notice should be shown to the JP but will be retained by the Council so that it is available for inspection by the Commissioners' offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT). The court may wish to take a copy.
- f) In addition, the Council will provide the JP with a partially completed judicial application/order form
- g) Although the Council is required to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.
- h) The order section of the form will be completed by the JP and will be the official record of the JP's decision. The Council will need to obtain judicial approval for all initial RIPA authorisations/applications and renewals and the Council will need to retain a copy of the judicial application/order form after it has been signed by the JP. There is no requirement for the JP to consider either cancellations or internal reviews.

Arranging a Hearing

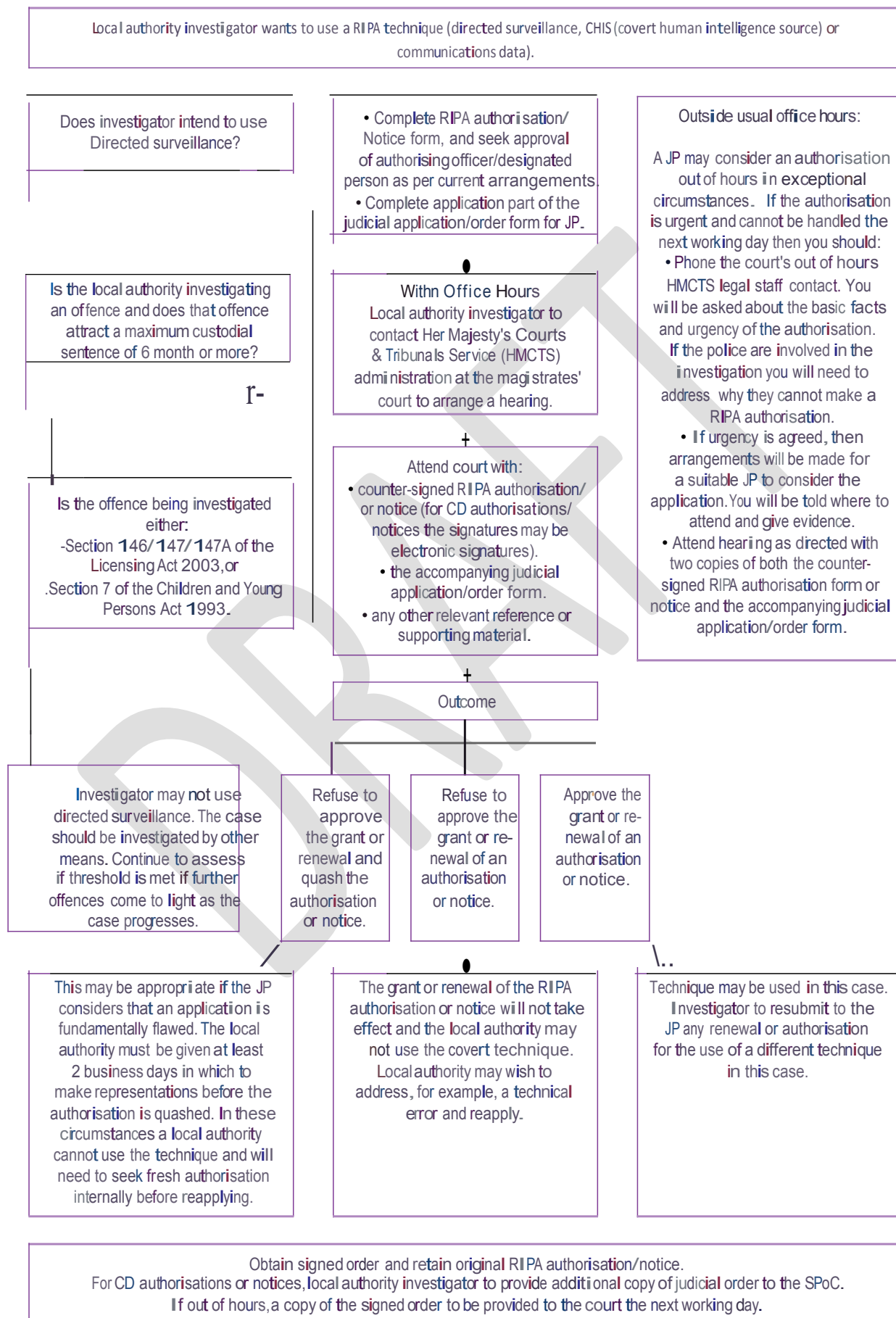
- i) Officers should establish contact with HMCTS administration at the magistrates' court. HMCTS administration will be the first point of contact for the Council when seeking a

- j) **Urgent cases.** On the rare occasions where out of hours access to a JP is required then it will be for the Council to make local arrangements with the relevant HMCTS legal staff. In these cases the Council will need to provide two partially completed judicial application/order forms so that one can be retained by the JP. The Council should provide the court with a copy of the signed judicial application/order form the next working day.
- k) In most emergency situations where the police have power to act, then they are able to authorise activity under RIPA without prior JP approval. No RIPA authority is required in immediate response to events or situations where it is not reasonably practicable to obtain it (for instance when criminal activity is observed during routine duties and officers conceal themselves to observe what is happening).
- l) Where renewals are timetabled to fall outside of court hours, for example during a holiday period, it is the Council's responsibility to ensure that the renewal is completed ahead of the deadline. Out of hours procedures are for emergencies and should not be used because a renewal has not been processed in time.

Attending a Hearing

- m) The hearing is a 'legal proceeding' and therefore Council officers need to be formally designated to appear under its Constitution be sworn in and present evidence or provide information as required by the JP.
- n) The hearing will be in private and heard by a single JP who will read and consider the RIPA authorisation or notice and the judicial application/order form. He/she may have questions to clarify points or require additional reassurance on particular matters.
- o) The Council will want to consider who is best able to answer the JP's questions on the policy and practice of conducting covert operations and detail of the case itself. It is envisaged that the case investigator will be able to fulfil this role. The investigator will know the most about the investigation and will have determined that use of a covert technique is required in order to progress a particular case. This does not, however, remove or reduce in any way the duty of the Authorising Officer to determine whether the tests of necessity and proportionality have been met. Similarly, it does not remove or reduce the need for the forms and supporting papers that the Authorising Officer has considered and which are provided to the JP to make the case.
- p) It is not envisaged that the skills of legally trained personnel will be required to make the case to the JP and this would be likely to, unnecessarily, increase the costs of Council applications.
- q) **Officers who are not solicitors** can appear in the Magistrates' on behalf of the Council under section 223 of the Local Government Act 1972, so long as they have been properly authorised to do so in accordance with the Council's Constitution. Such officers should take to court a copy of any such authorisation in case it is asked for by a JP or the Court Clerk.

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



APPENDIX 4

Up to date RIPA forms are available at

<https://www.gov.uk/government/collections/ripa-forms--2>

APPENDIX 5

NAFN Designated Officers

Title of Officer	Service Area
Head of Consumer Protection & Business Compliance	Neighbourhood Services Private Rented Housing Housing
Head of Neighbourhood Services	Trading Standards Licensing Food Safety Health & Safety

DRAFT

SLOUGH BOROUGH COUNCIL

REPORT TO:	Cabinet	DATE:	6 th February 2017
CONTACT OFFICERS:	Stephen Gibson, Head of Asset Management David Martin, Principal Asset Manager		
(For all enquiries)	(01753) 875852		
WARD(S):	Central		
PORTFOLIO:	Housing & Urban Renewal Leader of Council	- Cllr Ajaib - Cllr Munawar	

PART I
KEY DECISION**SLOUGH BASIN OPTION REPORT****1 Purpose of Report**

- 1.1 In October 2016 Cabinet approved the granting of a conditional option to Slough Urban Renewal ("SUR") over Slough Borough Council (SBC" or "the Council") land holdings at Slough Basin. Since then, contracts have been exchanged on a conditional sale agreement between Travis Perkins Plc and SBC for the Stoke Wharf site. To comply with required processes, notices were posted in a local newspaper regarding the potential disposal of public open space at Bowyer Park.
- 1.2 This purpose of this report is to update members on feedback received following the consultation process and reaffirm the decision to grant an option to SUR for the proposed development.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That it be noted that the council exchanged in December 2016 on the conditional acquisition of Stoke Wharf builder merchants from Travis Perkins Plc for the existing industrial use value with anticipated completion in June 2017;
- (b) That having consideration to objections received in response to notices made in the local newspaper, to reaffirm the decision to grant of an option to SUR in regards to part of the Public Open Space at Bowyer Playing Fields;
- (c) That subject to (b), that the decision be reaffirmed to delegate authority to the Interim Strategic Director of Housing, Regeneration and Resources, following consultation with the Cabinet member for Housing & Urban Renewal and the Leader of the Council, to negotiate an SBC option over any potential Private Rented Sector ("PRS") units promoted within the scheme; and
- (d) That subject to approval of (b) above, to note that a report will be presented to Cabinet towards the end of 2017 that clarifies the design and tenure mix and seek approval to dispose of the site on the basis of a best value valuation.

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

The creation of expediently delivered high quality new housing will maximise the value of the Council's asset base, increase council tax receipts and provide an income stream that can be used to contribute towards the provision of front line services.

3a. Slough Joint Wellbeing Strategy Priorities

The new housing being constructed will create local employment opportunities whilst increasing apprenticeship opportunities, enabling local people to improve their learning and skill base. Delivering new homes is improving the quality of the built environment and the image of the town whilst providing much needed housing accommodation. The schemes are being designed with security as a key consideration and are being constructed in line with current Health and Safety regulations.

3b. Five Year Plan Outcomes

Working effectively and expediently with SUR to deliver this regeneration scheme is addressing the five year plan outcomes through:

- **Outcome 1** - Quality new homes will 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,
- **Outcome 2** - The project will include a mix of affordable, PRS and housing for sale to meet need and demand across tenures,
- **Outcome 3** - Regeneration sites such as Slough Basin contribute towards keeping the centre of Slough a vibrant location to live,
- **Outcome 5** - Continuing to ensure that schemes are designed in line with amenity requirements will contribute towards children and young people in Slough being healthy and resilient; and
- **Outcome 7** - Participating in the development risk will ensure that the Council's income and the value of its assets are maximised.

4 Other Implications

a) Financial

SUR is a Limited Liability Partnership owned by SBC and Morgan Sindall Investments Ltd ("MSIL"). Part of its objective is to make a commercial return for the partners. The delivery cost of the scheme is covered by development sale receipts.

On General Fund sites such as the SBC owned elements of Slough Basin; the land value represents the Council's equity investment into SUR. This equity investment is documented in what is termed a loan note. The loan note put simply is a document which records the fact that the Council has loaned money to SUR which is intended to be repaid on the development's completion. Because the land value represents the Council's "equity investment" in SUR, the risk of the development and land value remain with the Council. As a result the precise level of capital that will be returned to the Council at the end of the development will depend upon whether there are sufficient funds available from the eventual sale of the completed development.

Based on the current development appraisals the Gross Development Value ("GDV") of the scheme is in the region of £95m. SBC will receive best consideration for its land holdings whilst participating in SUR's share of the development profits.

b) Risk Management

Risk	Mitigating action	Opportunities
Legal – SUR is sued by creditors of the joint venture	There are clear firewalls between the Council and the SUR	The SUR is already compliant with EU and UK regulations.
Property – House prices could fall, resulting in anticipated sales values being unachievable.	Morgan Sindall are a commercial partner and will ensure all development realised is financially viable and synced to market cycles.	The Council will participate in any growth in value achieved during the construction period. The Council is considering the potential to introduce a subsidiary company that could acquire a number of the properties in this scheme – subject to a robust business plan.
Human Rights	No risks identified	
Health and Safety – workers are harm or killed during the course of construction or local residents are harm accessing the sites.	Morgan Sindall is a national construction company with established Health and Safety procedures. Any external main or sub contractors need to comply with the partnership's Health and Safety policy.	
Employment Issues	No risks identified	SUR is implementing a local economic benefit programme (SMEs, training, apprenticeships etc) so that the more activity SUR does, the greater the potential benefit in relation to job creation.
Equalities Issues	No risks identified	
Community Support	No risks identified	
Communications	No risks identified	The development of the long awaited scheme is a positive story that makes the best use of Council assets. The potential exists to promote SUR to highlight how the JV is helping the Council deliver a range of sites throughout Slough.
Community Safely – local residents/ workers harmed during construction.	Morgan Sindall is part of the Considerate Constructor Scheme	Utilising the Considerate Constructor Scheme will reassure residents that the construction works are being built in accordance with best practice.
Finance - The transfer land value is not market value	External consultants will be appointed to confirm that the market land value of each site.	If land values increase during the promotion period this will be reflected in the land value.

Finance – Exposure to increased risk due to speculative development activities on the private units.	Morgan Sindall Group PLC is a top 5 construction and regeneration company quoted on the main London stock exchange with an annual turnover of circa £2.2bn.	SBC loan notes issued to the SUR are at 7 to 12.5% generating significantly higher rates of return for a relatively modest risk. These returns are separate and in addition to SBC's land receipt and share in development profits.
Finance – One of the developments does not generate a profit or makes a loss	External consultants at transfer will review costs and revenue to ensure that the project is viable and will deliver a profit.	All risk associated with profit is shared with MSIL.
Finance – Higher than anticipated construction costs	The land price is fixed at transfer and both the SUR (MSIL/ SBC) would lose profit if costs are not well managed.	
Timetable for Delivery – schemes are delayed unnecessarily		Using the existing legally established subsidiary company will ensure expediency in delivery.
Project Capacity – lack of resource delaying delivery	SUR have employed additional management staff to cover increasing work streams.	The ever increasing development programme helps secure a skilled workforce focussed on the regeneration of Slough.
Governance – Poor performance	The SUR has an established board of directors that are already competently directing the company's business.	Board members are from both the private and public sector ensuring a balance between commerciality and long term objectives.
Performance – failure to develop land transferred to subsidiary	The SUR is already developing sites successfully and interest accrues to SBC from the moment the land is transferred.	Increasing and improving the number of projects and resource within the SUR will improve its long term viability and success.

c) Human Rights Act and Other Legal Implications

This development is within the scope envisaged during the establishment of SUR which was procured through a process compliant with EU and UK Regulations.

It is understood that the land proposed to be disposed of is presently held in the General Fund and that it comprises open space held for leisure purposes.

Under Section 123 of the Local Government Act 1972 the Council have power to dispose of such land in any manner they wish but they cannot do so (except in the case of a short tenancy of less than 7 years) for a consideration that is less than the best that can be reasonably obtained, without the consent of the Secretary of State.

The Secretary of State has issued a General Consent (Circular 06/03) which permits Councils to dispose of land at an undervalue not exceeding £2,000,000 if the Council considers that the purpose for which the land to be disposed of is likely to contribute to the achievement of the promotion of one or more of the economic well-being, the social well-being or the environmental well-being of the whole or any part of its area or of all or any persons resident or present in its area.

Furthermore, under Section 123 of the Local Government Act 1972, the Council cannot dispose of land comprising or forming part of an open space unless before disposing of the land they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.

d) Equalities Impact Assessment (compulsory section to be included in **all** reports)

There are no equalities issues associated with this report.

e) Property Issues

See section 5 below.

5. **Supporting Information**

Background

- 5.1 The site is currently in three major ownerships: Canal & River Trust (CRT – formerly British Waterways), Travis Perkins Plc (TP - the largest building merchants in the UK) and Slough Borough Council (SBC).
- 5.2 The Strategic Acquisition Board approved the acquisition of land holdings owned by Travis Perkins for their existing industrial use value (verified by an external valuation undertaken by the District Valuer) and the conditional sale agreement exchange in December 2016.
- 5.3 The Slough Basin scheme is to be promoted and delivered in partnership with Waterside Places (“WP”) a joint venture between the Canal and Rivers Trust (“CRT”) and Muse (the regeneration developer arm of Morgan Sindall Plc). SUR and WP will share the profit so SBC will participate in the share attributed to SUR under the joint venture negotiated (currently envisaged as a 50:50 split). Consequently in this scheme, SBC will receive up to 25% of the net profit plus the value of the land that SBC has contributed to the Slough Basin scheme.
- 5.4 In agreeing to grant an option to SUR, Cabinet provided flexibility for Officers to negotiate the acquisition of the Private Rented Sector element (anticipated at 77 units) via one of the newly established Subsidiary Housing Companies.
- 5.5 The working assumption is that the scheme will provide 243 new homes, providing 220 new apartments and 23 new houses, including a mix of tenures. Based on the existing programme, it is assumed that (subject planning approval and a separate report to cabinet seeking approval for a disposal based on the best value valuation) that the project will go on site by March 2018 and complete by December 2020.

Consultation Responses

- 5.6 In accordance with Section 123 of the Local Government Act 1972 notices were published on the 6th and 13th January in the Slough Express to provide an opportunity for residents and interested parties to register objections.
- 5.7 The notice period expired on the 27th January 2017 and no objections were received.

6 Implication on Open Space

- 6.1 The existing Bowyer Recreation Ground is an area of public open space providing for formal and informal recreation. It is recorded in the Slough Parks and Open Spaces Framework as a 'Local Park'. Local Parks have a generalised catchment of 400m radius. This park is in a densely developed area of the town otherwise deficient in open space. Bowyer Recreation Ground is the only space serving this community.
- 6.2 As the only space serving its locality Bowyer Recreation Ground is an important community asset. The site has a multi-use games area (installed in 2015) a children's play area and space for formal and informal use. Access is available to the canal towpath and onwards to the canal corridor. The open space has potential to accommodate more use. It also has potential to contribute to improvement of the quality of the area through improvement to its landscape character and condition. Its location adjacent to and adjoining the canal is a key asset.
- 6.3 Apart from the site at Bowyer, the locality is deficient in open space, notably the larger types of open space capable of accommodating demands for more formal or expansive forms of recreation. The local community is therefore less well served by open space than most other areas and falls below the standards of provision considered necessary to meet community need.
- 6.4 The Slough Parks and Open Spaces Framework identifies the recreation ground as a relatively poor quality site compared to other parks and open spaces in the borough. The park represents a significant opportunity for improvement, especially to its landscape quality and biodiversity, reflecting its location within the canal corridor.
- 6.5 At detailed design stage it will be important that: visual and physical connectivity between the canal towpath and the canal corridor is improved along with circulation and access pathways, that children's play and formal sport facilities are retained and improved; and that a greenfield landscape setting is established around proposed canal moorings.
- 6.6 Further work will need to be undertaken at design stage to provide the necessary reassurances that the best will be achieved for the community in terms of open space benefits derived from the scheme.
- 6.7 Improvement of the land throughout the development and notably the area of open space/ public realm will call for significant funds to ensure appropriately high levels of ongoing maintenance. Maintenance requirements will be substantially greater than existing and financial provision for this will need to be secured as part of the redevelopment.

7 Comments of Other Committees

- 7.1 This report has not been considered by any other committees.

8. Conclusion

- 8.1 The redevelopment of Slough Basin has considerable regenerative benefits and could be one of the most transformational schemes proposed within Slough. The proposed partnership described in this report and the delivery via SUR provides a unique opportunity to assemble the site and deliver an aspirational scheme.

- 8.2 Working in partnership with MSIL and Waterside Places enables SBC to “gear up” its investment and focus third party capital and resources on an important regeneration scheme within the borough which will improve the build environment, maximise the value of the Council’s asset base and help to meet the increasing demand for homes in Slough.
- 8.3 Whilst Cabinet has previously granted an option to SUR, this report recommends that this decision is reaffirmed having consideration to the consultation response.

9 **Appendices**

None

10 **Background Papers**

Slough Local Development Framework Site Allocations DPD - November 2010

Slough Parks and Open Spaces Management Framework 2012-2017

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet

DATE: 6th February 2017

CONTACT OFFICER: Dave Gordon (Scrutiny Officer)
(For all enquiries) (01753) 875411

WARD(S): Langley, Colnbrook and Foxborough

PORTFOLIO: Cllr Matloob –
Commissioner for Transport and Highways

PART I
NON-KEY DECISION**REFERENCES FROM OVERVIEW AND SCRUTINY –**
SLOUGH ROAD NETWORK – ALTERNATIVE PROVISIONS TO MARKET LANE**1. Purpose of Report**

The purpose of this report is to ask Cabinet to consider the recommendations of the Neighbourhoods and Community Services Scrutiny Panel (17th January 2017).

2. Matters for resolution from Cabinet

The Neighbourhoods and Community Services Scrutiny Panel has referred the matter of the possible alternative provisions for the local road network in the Market Lane area. The wording of the resolutions is as follows:

1. The Panel recommend that, given the fact that only permanent counters are currently collecting data relating to the impact of the bridge closure, Cabinet ends the experimental scheme at the first opportunity.
2. The Panel recommend that Slough Borough Council (SBC) develop a package based on the reopening of Market Lane and a realigned bridge (as offered by High Speed Two Limited (HS2)).

Given the slippage in the likely timetable to deliver Western Rail Access to Heathrow (WRAtH), the Panel therefore noted that the final permanent mitigation package could not yet be constructed.

3 The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**3a Slough Joint Wellbeing Strategy (SJWS) Priorities**

- Health: Improving wellbeing by improving transport and considering the most viable options to alleviate congestion.
- Economy and Skills: Improving journeys between work, home, leisure, school and exploring road infrastructure when linked to development or housing needs.
- Regeneration and Environment: Improving transport facilities, increasing sustainable transport and providing deliverable solutions.
- Housing: Ensuring road infrastructure is linked to housing growth.

- Safer Communities: Working towards reducing traffic congestion at key locations to improve the environment and safety for residents.

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: By improving traffic flow and congestion in key areas in Langley and working towards future proofing the local road network.

4 Other Implications

(a) Financial

There are no financial implications arising from this report.

(b) Risk Management

Risk	Mitigating action	Opportunities
None	None	There are no risks, threats or opportunities arising from the report.

(c) Human Rights Act and Other Legal Implications

There are no legal or Human Rights Act implications relating to the content of this report.

(d) Equalities Impact Assessment

There is no identified need for the completion of EIA relating to this report.

5 Supporting Information

- 5.1 The experimental scheme has previously been discussed by the Panel and Cabinet. This was taken at the meeting on 19th September 2016, with the Panel expressing their desire to see the scheme terminated as soon as was possible. However, Cabinet responded that data needed to be collected in order for future alternatives to be designed on the basis of sound, comprehensive information.
- 5.2 However, at the Panel's meeting on 17th January 2017 it became clear that the amount of data being gathered has decreased in recent weeks. At the time of that meeting, the only information being compiled was that taken from permanent traffic counters in the area; the other, temporary units were not being employed. As a result, the Panel recorded its view that this raised questions as to the justification for the continuation of the experimental scheme, given a) the issues it caused for local residents and other road users seeking to travel through Langley and b) the fact that alternative road networks do not need the scheme to be in operation whilst they are be devised.
- 5.3 Recent meetings with local residents' groups had also given a clear indication as to the views of those in the area. Whilst a very small number of residents directly beside the bridge had noted the quietness of recent months, this was an isolated matter and otherwise feedback had been almost entirely unanimous in its frustration at the traffic

caused by the scheme. Given the clarity and uniformity of this view, the Panel made the first recommendation outlined in Section 2 of this report.

- 5.4 In addition, SBC's Assistant Director for Assets, Infrastructure & Regeneration sought Government advice as to whether there is a legal minimum period of data gathering required. The advice given by the Department for Transport was that no such legal minimum exists. This advice is included as Appendix A.
- 5.5 The Panel also discussed the evolution of the long term package being offered. Initially, SBC had planned for the formation of a mitigation package based on HS2 and WRAtH being completed on schedule. However, whilst HS2 was progressing largely in line with the initial timescale, WRAtH was proving to be more prone to possible delays. At the time of the Panel's January 2017 meeting, it was difficult to provide specifics as to when WRAtH would be in a position to make proposals regarding the road network.
- 5.6 As a result, the Panel considered that a staged approach to making alterations to the road network would be required. HS2 was offering mitigation in the form of a reopened Market Lane and a realignment of the bridge. Whilst it was recognised that this would not be the permanent solution, it was also considered that this would relieve the situation at the moment and was a desirable outcome in the absence of clarity on the impact of WRAtH.
- 5.7 Given this situation, the Panel wished to support SBC officers in their request to be commissioned to form a package based on HS2's proposals. The matter of the final mitigation package would be returned to once WRAtH's position and all other variables had been clarified.

6 **Comments of Other Committees**

The issue of the experimental scheme had previously been discussed by the Panel on 8th September 2016, and referred their recommendations to Cabinet on 19th September 2016.

7 **Conclusion**

The Cabinet is requested to decide upon recommendations outlined in section 2 and discussed in sections 5.1 – 5.7 of this report.

8 **Appendices**

'A' - Letter from Department for Transport to SBC, 24th October 2016

9 **Background Papers**

'1' - Agenda papers and minutes, Neighbourhoods and Community Services Scrutiny Panel (8th September 2016)

'2' - Agenda papers and minutes, Cabinet (19th September 2016)

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Department
for Transport

Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR
Tel: 0300 330 3000

Web Site: www.gov.uk/dft

Joe Carter
Joseph.Carter@slough.gov.uk

Our Ref: 177348
Your Ref:

24 October 2016

Dear Mr Carter

Experimental Road Closure - Data Gathering

Thank you for your letter to the Minister of 23 September 2016 about data gathering for experimental road closures. I have been asked to reply.

You asked if three months' worth of collected data would be sufficient for making a legally robust decision regarding a road closure. I am afraid the Department is unable to offer such guidance and would suggest that you obtain your own legal advice. I can, however, confirm that there is no recommended minimum period.

Yours sincerely

Hugh Arnold

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 6th February 2017

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 6th January 2017.

7. Background Papers

None.

NOTIFICATION OF DECISIONS

1 FEBRUARY 2017 TO 30 APRIL 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.

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 (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. 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 - 6th February 2017

Item	Portfolio	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 and Projects Report: Q3 2016-17</u></p> <p>To receive the latest performance information, balanced scorecard indicators and project updates for the 3rd Quarter of 2016/17.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None	√	
<p><u>Medium Term Financial Strategy 2017-2021</u></p> <p>To consider, and if agreed, to recommend to Council the Medium Term Financial Strategy for 2017/18.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny, 02/02/17	None		
<p><u>Treasury Management Strategy 2017/18</u></p> <p>To consider, and if agreed, to recommend to Council the Treasury Management Strategy for 2017/18.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny Committee, 02/02/17	None		

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Non-Bold – Non-Key Decision

Italics – Performance/Monitoring Report

<p><u>Capital Strategy 2017-2022</u></p> <p>To consider, and if agreed, to recommend to Council the Capital Strategy for the period between 2017 to 2022.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny Committee, 02/02/17	None		
<p><u>Revenue Budget 2017/18</u></p> <p>To agree the recommendations to be made to Council on the 2017/18 Revenue Budget, including setting the Council Tax.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	Overview & Scrutiny Committee, 02/02/17	None		
<p><u>Slough Housing Strategy</u></p> <p>To consider the new Slough Housing Council, and if approved to recommend the document to full Council.</p>	H&U	All	All	Mike England, Interim Strategic Director Regeneration, Housing & Resources Tel: 01753 875301	-	None		
<p><u>Local Welfare Provision</u></p> <p>To approve the Local Welfare Provision scheme for 2017/18.</p>	F&S	All	All	Neil Wilcox, Assistant Director Finance & Audit Tel: 01753 875358	-	None		
<p><u>Regulation of Investigative Powers Act (RIPA) Policy and Use</u></p> <p>The purpose of the report is for Members to sign off the updated policy and to note the use of the RIPA powers by the local authority, which are in line with guidance and our enforcement policy.</p>	R&C	All	All	Ginny de Haan, Head of Consumer Protection & Business Compliance Tel: 01753 477912	-	None		

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<p><u>Slough Basin Option Report and Stoke Wharf Update</u></p> <p>To seek approval to work collaboratively with Michael Shanly Homes (MSH) and its subsidiaries regarding the comprehensive redevelopment of the Slough Fire Station area including authority to make and implement a Compulsory Purchase Order of required third party land.</p>	H&U	Chalvey	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None	√	Yes, p3 LGA
<p><u>Slough Fire Station Tuns Lane</u></p> <p>To seek approval to grant an option over SBC's land at Slough Basin, Stoke Road to Slough Urban Renewal (SUR) having consideration to public notice responses; and to update Cabinet on land assembly in relation to the proposed residential mixed use development.</p>	H&U	Central	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None	√	Yes, p3 LGA
<p><u>References from Overview & Scrutiny</u></p> <p><i>To consider any recommendations from the Overview & Scrutiny Committee and Scrutiny Panels.</i></p>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None References from Overview & Scrutiny		
<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 Notification of Forthcoming Decisions		

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Cabinet - 20th March 2017

Item	Portfolio	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>Re:FIT Programme</u></p> <p>The programme will help SBC improve the energy performance of buildings to achieve substantial guaranteed annual cost savings. The project also contributes to the delivery of Outcome 7 in the Council's Five Year Plan, along with the targets set in the Carbon Management Plan 2015-2020.</p>	E&L	All	All	Jason Newman, Environmental Quality Team Manager Tel: 01753 875219	-	None		
<p><u>References from Overview & Scrutiny</u></p> <p><i>To consider any recommendations from the Overview & 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 - 18th April 2017

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<u>Finance Update</u> 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	√	
<u>Contracts in Excess of £250,000 in 2017-18</u> To report those contracts in excess of £250k likely to be awarded in 2017-18.	F&S	All		Catherine Meek, Head of Democratic Services Tel: 01753 875011		None	√	
<u>References from Overview & Scrutiny</u> To consider any recommendations from the Overview & Scrutiny Committee and Scrutiny Panels.	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None	√	
<u>Notification of Forthcoming Decisions</u> To endorse the published Notification of Decisions.	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None	√	

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