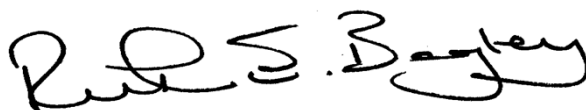


Date of issue: Thursday, 25 August 2016

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, 5TH SEPTEMBER, 2016 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.



RUTH BAGLEY
Chief Executive

AGENDA

PART I



Apologies for absence.

1. **Declarations of Interest**

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

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

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

2.	Provision of a Temporary Ice Facility	1 - 10	All
3.	Treasury Management Annual Report	11 - 30	All
4.	Additional Contract in Excess of £250,000 in 2016/17	31 - 34	All
5.	Proposal to establish Housing Company Group Structure	35 - 46	All
6.	Old Library Site - Development Options	47 - 52	Central
7.	Notification of Forthcoming Decisions	53 - 64	All
8.	Exclusion of Press and Public		

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

PART II

9.	Old Library Site Development Options – Appendix 1	65 - 70	Central
10.	Heart of Slough, North West Quadrant/ William St Car Park and Ancillary Land	71 - 130	Central



<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
11.	Proposals for the Delivery of the Schools Expansion Programme	131 - 156	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. 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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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 5th September 2016

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

WARD(S): All

PORTFOLIO: Environment and Leisure – Councillor Bal

PART I
KEY DECISION

THE PROVISION OF TEMPORARY ICE

1 Purpose of Report

- 1.1 An urgent decision is required from Members to enable the provision of a temporary ice rink whilst Slough Ice Arena is closed for its improvement works.
- 1.2 The report confirms and summarises costs associated with the provision of the temporary facility, which was requested at the meeting of the Cabinet held on the 18th July 2016.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that a temporary solution for the continued provision of ice facilities in the town from November 2016, which caters for the whole community, is agreed.

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

3a Slough Joint Wellbeing Strategy Priorities

All the actions within Slough's five year leisure strategy will contribute towards achieving the overarching vision of the Slough Joint Wellbeing Strategy and will make significant contributions specifically to the health, wellbeing and safer Slough themes.

- **Health and Wellbeing.** Cabinet in July 2014 approved a strategy for leisure, with the overarching aim to "enhance the health and wellbeing of Slough residents by ensuring leisure activity is adopted as a habit for life for all – more people, more active, more often". The link between physical activity and overall health indicators is clear, particularly for obesity, diabetes and heart disease, which are high priorities for Slough.

- **Safer Slough.** The opportunity to participate in shared leisure activities makes a positive contribution to community cohesion and interaction for all members of the varied and diverse community in Slough.

- **Regeneration and environment.** Leisure facilities contribute to the quality of the environment of the town. They provide opportunities to regenerate specific sites and local communities.

Cross-Cutting themes:

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

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

3b Five Year Plan Outcomes

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

4 Other Implications

(a) Financial

- i. It will cost the Council £336K to make available a temporary ice provision during the closure of Slough Ice Arena. A breakdown of these costs are detailed in sections 5.7 of this report. These costs are based on a twelve month period for the closure of Slough Ice Arena.

- ii. As previously stated in the report to Cabinet in July 2016, the Council's 2016-17 revenue budget does not have contingency for these additional costs. Therefore, these funds would need to come from new in-year savings made from across Council services or from the General Fund reserve.

(b) Risk Management

Project	Risk	Mitigating action	Opportunities
Ice Arena redevelopment and temporary ice provision	Financial – the temporary rink does not offer value for money Costs continue to increase	Full financial obligations will be confirmed prior to commencement of any scheme	The new facility will contribute to more people being physically active, which is a key priority for the Council. Temporary facility operated by a third party
	Planning - Delay to submission and determination of planning application Planning conditions not met within time for the Ice Arena refurbishment closure	Submission of the planning application as soon as possible. Project Manager to ensure early engagement with Planning and that conditions for compliance are monitored	
	Health and Safety	Fully addressed for temporary facilities as they are developed. Operational risks will be considered and developed to respond to the specific risk and will be passed onto the operator to manage.	
	Building Control - Delay to submission and determination of building control application	Building Control to approve and sign off development proposals	
	Equalities issues – the temporary facilities fail to	The availability of a temporary facility will help to	Continued access to quality facilities will

	meet the needs of all	mitigate the effects of the temporary closure of the ice Area. It will enable a broad community programme to remain available to meet the needs of all.	contribute to increasing levels of activity by all users including those with special or specific needs EIA completed
	Community support – Objections to planned proposals	Communications strategy in place	
	Communications – The proposed temporary developments receive adverse publicity	Proactive approach with provider and users of the temporary facility.	
	Financial (capital) – Costs become inflated and the scheme is unaffordable	Proposals offer a cost effective option and identify appropriate contingency. Agree fixed price contract and measures to prevent potential scope creep	Look at other funding opportunities.
	Financial (revenue) – the temporary facility operates at a loss	Risk rests with the Operator	Transfer responsibility for the management of the temporary facility to a third party.
	Timetable for delivery – Key deadlines are not met	Project management in place to monitor critical path with slippage reported early. Provide a back-up plan for any unforeseen delays	
	Capital programme overruns	The contract for the temporary facility will have	Opportunities for value management if

		flexibility to extend provision if required.	required.
	Project Capacity – Adequate resources are not in place	Allocate sufficient resources to the management of the programme	Utilise expertise in house and with development partners to ensure the project is delivered on time.

(c) Human Rights Act and Other Legal Implications

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

Local authorities have a range of powers to deliver cultural services which includes both recreation and sport. The provision of leisure services is however discretionary and as such local authorities do not have to provide these services.

A range of commercial contract issues will require resolution to enable the provision of the temporary ice arena to go ahead. Heads of terms for the temporary facility are required to be produced.

The temporary Ice Arena will require planning consent. A planning application was submitted on 17th August 2016 and will be presented to the Planning Committee on 5th October for approval.

(d) Equalities Impact Assessment

The Council is attempting to mitigate the impact of the period of temporary closure and an EIA has been completed.

(e) Workforce

The delivery of the temporary ice scheme will require specialist roles including dedicated project management and these will be met in-house within the council.

(f) Property

See section 5.5

(g) Carbon Emissions and Energy Costs

The temporary ice provision will be energy efficient but will increase CO2 overall.

5. Supporting Information

- 5.1 In January 2016 Cabinet agreed to undertake improvement works to Slough Ice Arena which required the building to close for a minimum of nine months for the works to be undertaken at a cost of £7.7 million

- 5.2 In light of the costs associated with a temporary facility, a decision to not provide any temporary ice provision was agreed initially. However, not providing a temporary ice provision has raised concerns with user groups and residents alike and the Council has listened to those concerns.
- 5.3 In July 2016 Cabinet were asked to consider a proposal for a temporary rink, which detailed estimated costs of £632K for the provision of a facility, following an ice provider contacting the council with a proposal. At this meeting Cabinet asked officers to undertake further work to confirm final costs of the scheme presented.
- 5.4 This work has now been completed and the final costs are detailed below in section 5.7.
- 5.5 The temporary ice proposal includes a fully enclosed and secure ice rink (20m x 50m), complete with the following:
- Full operations and management, including staffing
 - Rink suitable for all ice activity, including ice hockey
 - Seating for up to 300 spectators
 - Reception
 - Changing area
 - Toilets
 - Skate hire
- 5.6 The Council will be required to provide the following components:
- The site – an area of Montem car park to the rear of Montem Leisure Centre
 - Temporary car park – a grassed area to be converted to a temporary car park on the current Montem Recreation site, capacity for 125 cars.
 - Planning permission – a planning application was submitted on 17th August 2016
 - Civil / enabling works for the site - including lighting, road widening and reconfiguration
 - Connections for utilities – electricity and water
 - CCTV – extra CCTV cameras covering the temporary site
 - Contribution to costs of utilities

5.7 A breakdown of costs are detailed in the table below

ITEM	COSTS ££
Temporary car park	75,000
Utilities – enabling works	40,000
Utilities – running costs	120,000
Planning application	11,000
CCTV	10,000
Highways – lighting/ road widening	47,000
Contingency @10%	33,000
TOTAL	336,000

5.8 Timescales

Estimated timescales are detailed in the table below

	DURATION	START DATE	COMPLETION
Contract with operator	12 months	September 2016	December 2017
Planning	12 weeks	17 th August 2016	November 2016
Pre-construction	6 weeks	* 19 th September 2016	October 2016
Highways and transport works	4 weeks	* October 2016	November 2016
Temporary rink construction	4 weeks	* October 2016	November 2016
Ice Arena refurbishment	9 – 12 months	November 2016	November 2017
Temporary rink decommission	4 weeks	November 2017	January 2018

* Subject to planning

- 5.9 The temporary car parking proposals necessitate road widening schemes to be actioned to enable access for all vehicles. Coaches and larger vehicles will be required to park up and drop off at the front of the leisure centre only and will need to find an alternative waiting location. Additional disabled parking bays will be made available, adjacent to the temporary provision.

6 **Comments of Other Committees**

At its meeting on 18th July, Cabinet considered a report which set out options for the provision of a temporary ice rink. Cabinet asked officers to present a further report confirming costs of the temporary ice rink for decision.

7 **Conclusion**

- 7.1 The Council's aspirations for the development and improvement of Slough Ice Arena requires the facility to close for a minimum period of nine / twelve months to enable the works to be completed. The closure of the facility has received much opposition from current users, who have requested a temporary facility to be provided.
- 7.2 Council officers have been approached by an ice provider with a proposal for a temporary ice scheme to cover the period of this closure at an estimated cost to the Council of £336,000, which includes a 10% contingency sum.

- 7.3 The provision of a temporary ice scheme will ensure that current users, a high percentage of young people who are resident in Slough, will be able to continue to skate, despite the temporary closure of the permanent facility. Continuity of service provision is an important area to consider for the successful re-opening of the facility in the autumn 2017.

8 **Appendices Attached**

Temporary ice rink structure

9 **Background Papers**

- '1' Leisure Strategy Cabinet Report – January 2016

Appendix 1 - Temporary Ice Rink Structure



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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 5th September 2016

CONTACT OFFICER: Stephen Fitzgerald, Interim Assistant Director Finance & Audit
(For all enquiries) (01753) 875358

WARD(S): All

PORTFOLIO: Cllr. Sohail Munawar; Lead Commissioner for Finance & Strategy.

PART I
NON-KEY DECISION

TREASURY MANAGEMENT ANNUAL REPORT**1 Purpose of Report**

Members are asked to note the Treasury Management activities for 2015/16 and the beginning of 2016/17 as set out in the body of this report.

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

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the report summarising treasury activity in 2015-16 and the first part of 2016-17 be noted.

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

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

4 Other Implications

Financial . The Financial Implications are contained within this report.

Risk Management

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None

Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial :Detailed in the Report and Above	As identified	None
Timetable for delivery	None	None
Project Capacity	None	None
Other	None	None

Human Rights Act and Other Legal Implications

None identified

Equalities Impact Assessment

No identified need for the completion of an EIA.

5 Supporting Information

1. Background

The Treasury Management Strategy for 2015/16 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.

The Code also recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.

Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

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. This report summarises treasury activity in 2015-16 and the first part of 2016-17.

2. External Context

As we entered 2016, there was a significant uncertainty about the outlook for global growth. The slowdown in the Chinese economy and the knock-on effects for both trading partners and commodity prices, the uncertainty over the outcome of the US

presidential election (no clear party or candidate being identified as an outright winner) and the impending referendum on the UK's future relationship with the EU, all resulted in nervousness and a shaky start for markets.

Data released in the April-June quarter showed UK GDP at 2% year to March 2016 and annual inflation at 0.3% in May. Core inflation remained subdued as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. Internationally, a modest pace of growth in the UK's main trading partners remained the most likely prospect.

Fluctuations in the opinion polls on the EU referendum prompted pronounced volatility in exchange rates, gilts, corporate bonds and equities as the result became increasingly uncertain. Immediately prior to the result, financial market sentiment shifted significantly in favour of a Remain outcome, a shift swiftly reversed as the results came in. The vote to leave the EU sent shockwaves through the domestic, European and global political spectrum, the most immediate impact being the resignation of Prime Minister David Cameron.

Between 23rd June and 1st July the sterling exchange rate index fell by 9% and short-term volatility of sterling against the dollar increased significantly. Worldwide, markets reacted very negatively with a big initial fall in equity prices. Government bond yields also fell sharply by 20-30 bp across all maturities (i.e. prices rose) as investors sought safe haven from riskier assets. The 10-year benchmark gilt yield fell from 1.37% to 0.86%.

Yet, a week on from the result the overall market reaction, although significant, was less severe than some had feared. The 5-year CDS for the UK (the cost of insuring against a sovereign default) rose from 33.5 basis points to 38.4 basis points. The FTSE All Share index, having fallen sharply by 7% from 3,481 points on 23rd June to 3,237 after the result, had subsequently risen to 3,515 by the end of the month.

The Bank of England sought to reassure markets and investors. Governor Mark Carney's speeches on 24th and 30th June in response to the referendum result stressed that the Bank was ready to support money market liquidity and raised the likelihood of a cut in policy rates 'in the summer'. The door was also left open for an increase in the Bank's asset purchase facility (QE). The Governor noted that the Bank would weigh the downside risks to growth against the upside risks to inflation from fall in the value of sterling.

3. Debt Management

	Balance on 01/04/2015 £m	Maturing Debt £m	Debt Prematurely Repaid £m	New Borrowing £m	Balance on 31/03/2016 £m	Increase/ Decrease in Borrowing
CFR	286,328				307,590	
Short Term Borrowing ¹	5,000	5,000			4,000	-1,000
Long Term Borrowing	177,372				173,372	-4,000
TOTAL BORROWING	182,372				177,372	-5,000
Other Long Term Liabilities	49,584				47,858	-1,726
TOTAL EXTERNAL DEBT	231,956				231,956	-6,726
Average Rate % / Life (yrs)	3.53% / 17.90yrs				3.32% / 16.64yrs	

The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31/03/2016 was £307.59 million.

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

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

At 1st April 2015 the Authority held £182.372 million of loans, as part of its strategy for funding previous years' capital programmes.

In 2015-16 a loan of £5m was repaid in August 2015 and this will not be replaced which will generate a revenue saving from reduced interest costs of £96,000. The remaining increase in external debt shown in the above table is an increase in the liability of other Finance Leases. A further £4m loan will be repaid in 2016-17 which will generate further revenue savings of £96,000 in reduced interest costs.

With short-term interest rates having remained much lower than long-term rates, it was more cost effective in the short-term to use internal resources to fund capital expenditure. For the Council the use of internal resources in lieu of borrowing has, therefore, continued to be the most cost effective means of funding £21.3m of capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, the Council acknowledges that this position will not be sustainable over the medium term and the Authority expects it will need to borrow £17.0m for capital purposes by the end of 2016-17. Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Authority's treasury advisor.

¹ Loans with maturities less than 1 year.

The PWLB remains an attractive source of borrowing for the Authority as it offers flexibility and control. Affordability and the “cost of carry” remained important influences on the Authority’s borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing.

While there has been no new long term borrowing in 2016-17, the Council has borrowed short term money through the London Money Markets to meet short term cash flow obligations. All have the loans have been with other Local Authorities at rates between 0.29% and 0.60%. The council has an ambitious Capital Programme and it is expected that the need to borrow both short term and long term will increase as investment balances diminish. The council currently has £18.6m short term borrowing and the table below summarises activity thus far in 2016-17.

Start Date	End Date	No. of days	Loan Amount	Interest Rate %
05/05/2016	19/05/2016	14	4,000,000.00	0.35
05/05/2016	20/05/2016	15	2,000,000.00	0.29
19/05/2016	20/06/2016	32	8,000,000.00	0.52
31/05/2016	30/06/2016	30	5,000,000.00	0.38
20/06/2016	20/09/2016	92	3,600,000.00	0.52
21/06/2016	21/09/2016	92	5,000,000.00	0.47
28/06/2016	08/07/2016	10	10,000,000.00	0.52
08/07/2016	07/07/2017	364	5,000,000.00	0.6
08/07/2016	27/06/2017	354	5,000,000.00	0.6

PWLB Certainty Rate and Project Rate Update

The Authority qualifies for borrowing at the ‘Certainty Rate’ (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2015. In April the Authority submitted its application to the CLG along with the 2016-17 Capital Estimates Return to access this reduced rate for a further 12month period from 1st November 2016.

PWLB Borrowing

Debt Rescheduling:

The increase in PWLB repayment rates during the quarter lowered the premium that would apply on premature redemption of loans, but the premia was still relatively expensive for the loans in the Authority’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

A year after their commencement, the £125.8m of loans borrowed on 28th March 2012 for the HRA self-financing settlement became eligible for rescheduling. These loans were borrowed at one-off preferential rates made available specifically for the settlement. If the increases in gilt yields and PWLB redemption rates seen at the end of this quarter prevail in subsequent months, they may present early loan repayment opportunities at close to par. Early repayment or rescheduling will first be assessed against the requirements of the HRA business plan and any future borrowing requirements. Where rescheduling is appropriate, the Authority will consider alternative refinancing to achieve cost savings and a reduction in risk. (Conventional PWLB to PWLB debt restructuring is limited by the new borrowing and repayment spread.) The Authority is currently considering options for debt rescheduling in conjunction with its Treasury Management advisors.

LOBOs: The Authority holds £13m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £4m of these LOBOS had options during 2015-16 none of which were exercised by the lender. As a further £4m of LOBOS have options during 2016/17, the Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4. Investment Activity

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

Investments	Balance on 01/04/2015 £m	Investments Made	Maturities/ Investments Sold £m	Balance on 31/03/2016 £m	Avg Rate % and Avg Life (yrs)
Short Term Investments	53,176	63,771	92,147	24,800	0.89/0.41 yrs
Long Term Investments	17,050	13,700	1,500	29,250	
Cash Equivalents	5,505	251,028	252,668	3,865	
Bonds issued by Building Societies	5,033	6579	4529	7,083	
Corporate Bonds					
Funds Managed Externally					
TOTAL INVESTMENTS	80,764			64,998	

The £64.998m is broken down further below:

Type of Investments	£m
Money Market Funds	3.625
Instant Access Call Accounts-Overseas Banks	0.24
Pooled Property Fund	10
Other Pooled Funds	9
Covered Bonds issued by Building Societies	3.004
Covered Bonds issued by UK Banks	4.079
95 Day Notice Account UK Bank	2.8
Certificates of Deposit Overseas Banks	5
Fixed Term Deposits UK Banks	5
Type of Investments	£m
Local Authorities	19
Municipal Bonds Agency	0.05
Slough Urban Regeneration Loan Note	3.2
	64.998

Security of capital remained the Authority's main investment objective. This was maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2015/16 which defined "high credit quality" The Authority 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.

Investments with banks and building societies were instant access accounts, fixed-rate term deposits but also Certificates of Deposit and Floating Rate Note Covered Bonds. The maximum duration of these investments was 3 years in line with the prevailing credit outlook during the year as well as market conditions.

The Council's budgeted investment income for 2015-16 was estimated at £1.943m (£1.85m 2014-15) and they achieved £1.959m (£1.736m in 2015-15). The average cash balances were £88.2m during 2015-16. Also income of £0.292m was realised by making an upfront payment to the pension scheme.

Externally Managed Funds:

At the end of April 2015 the Council invested a further £3m into a Property Fund to take the amount invested in the fund to £10m.. The Local Authorities' Property Fund is administered by CCLA Investment Management limited (a company specialising in fund management on behalf of Churches, Charities and Local Authorities) (CCLA). The Fund was launched in 1972, is valued at £599 million on 31st March 2016 and has a track record of income distribution yield of over five per cent per annum paid quarterly. The distribution yield is after property management costs and CCLA's fund management fee of 0.65 per cent. The fund has outperformed the Investment Property Databank (IPD) Balanced Property Unit Trusts index which is their benchmark over the past 10 years. Due to high entry fees this is seen as a long term investment with at least a 5 years time horizon. During 2015-16 the CCLA fund, generated £506,000 a return of over 5%, which has thus far proved the highest returning of our investments. The fund also appreciated in value by £422,000 during the year,

The council has also invested £8.0m in other pooled funds as follows:

- £2.5m in the Insight – ILF Liquidity Plus Fund which is a Cash Plus Fund. The Fund invests in a diverse range of securities, instruments and obligations that carry a minimum credit rating of A1 for short-term investments, to ensure a return in excess of the money markets with minimal risk.
- £5.5m in the Payden & Rygel Sterling Reserve Fund. It is a Short Bond Fund, longer in duration than cash plus funds investing in sterling-denominated investments, including gilts, supranationals, agencies, bank and corporate bonds and other money market securities.

Both funds are supported by our Treasury Advisors, are secure and offer reasonable liquidity. The values of the funds vary (Variable Net Asset Value) but are an excellent way of diversifying the council's investment portfolio. In May 2016, due to cash flow considerations, the Council disinvested in the Payden and Rygel Sterling reserve Fund.

Long Term Local Authority Investments

In April 2015, the Council invested £5m with a Local authority for three years at a rate of 1.20%. This follows on from two investments in 2014-15 where the Council invested £5m each with two Local Authorities for a period of three years at rates of 1.40% and 1.50%

respectively. These were seen as favourable rates for the credit risk the council was taking on. Reference was also made of the council's Treasury Advisors long term interest rate forecast. At the time the Council's advisors only saw small upward increases in rates in the next few years.

Safe Custody Arrangements

The Council set up a custody account with King & Shaxson in February 2012. By opening a custody account with King & Shaxson, the Council now has the ability to use a number of approved investment instruments as outlined in the 2016/17 Treasury Strategy and diversify the investment portfolio. Investment instruments requiring a custodian facility include Treasury Bills, Certificates of Deposit, Gilts, Corporate Bonds and Supranational Bonds.

By establishing custody arrangements, the Council is better-placed to consider the use of alternative investment instruments in response to evolving credit conditions. During 2015-16 the council has been able to take advantage of these custody arrangements by placing Certificate of Deposits with Toronto Dominion Bank and Standard Chartered Banks respectively. The custody arrangements therefore give the council access to a larger range of suitable counterparties. Using the custody arrangement the council has also placed £6.5795m in two Floating Rate Note Covered Bonds with the Yorkshire Building Society and Abbey Treasury Services (part of Santander UK Bank) respectively. The bonds are secured against mortgages and are exempt from bail-in risk. The current rating for YBS covered bonds is AA+ and Abbey Treasury Services covered bonds are AAA rated so there is little credit risk, and the rate the council receives is linked to the 3 month LIBOR rate that re-fixes every three months so there is very little interest rate risk also.

Investment Activity in 2015/16

Investments	Balance on 01/04/2016 £m	Investments Made	Maturities/ Investments Sold £m	Balance on 31/03/2016 £m	Avg Rate % and Avg Life (yrs)
Short Term Investments	24,800	5,000	8,300	21,500	0.89/0.41 yrs
Long Term Investments	29,250			29,250	
Cash Equivalents	3,865	90,490	82,705	11,650	
Bonds issued by Building Societies	7,083			7,083	
Corporate Bonds					
Funds Managed Externally					
TOTAL INVESTMENTS	64,998	95,490	91,005	69,483	

The £69.483m is broken down further below:

Type of Investments	£m
Money Market Funds	4.34
Instant Access Call Accounts-Overseas Banks	7.31
Pooled Property Fund	10
Other Pooled Funds	3.5
Covered Bonds issued by Building Societies	3.004
Covered Bonds issued by UK Banks	4.079
95 Day Notice Account UK Bank	2
Certificates of Deposit Overseas Banks	5
Fixed Term Deposits UK Banks	8
Local Authorities	19
Municipal Bonds Agency	0.05
Slough Urban Regeneration Loan Note	3.2
	69.483

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

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

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

Table 3: 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
---------------------------------	------

The Council currently has £36m in long term investments and no investments without credit ratings.

Budgeted Income and Outturn

The average cash balances have been £71.07m so far in 2016-17. The UK Bank Rate has been maintained at 0.5% since March 2009 and is now forecast to fall further. Short-term money market rates have remained at relatively low levels (see Table 1 in Appendix 2). New deposits were made at an average rate of 1%%. Investments in Money Market Funds generated an average rate of 0.48%%.

The Authority's budgeted investment income for the year is estimated at £1.943mm.

The Bank Rate is expected to be cut further towards zero in the coming months, which will in turn lower the rates short-dated money market investments with banks and building societies.

Counterparty Update

Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune although the fall in their share prices was less pronounced.

Fitch downgraded the UK's sovereign rating by one notch to AA from AA+, and Standard & Poor's downgraded its corresponding rating by two notches to AA from AAA. Fitch, S&P and Moody's have a negative outlook on the UK. S&P took similar actions on rail company bonds guaranteed by the UK Government.

Moody's affirmed the ratings of nine UK banks and building societies and revised the outlook to negative for those banks and building societies that it perceived to be exposed to a more challenging operating environment arising from the 'leave' outcome.

There was no immediate change to Arlingclose credit advice on UK banks and building societies as a result of the referendum result. Our advisor believes there is a risk that the uncertainty over the UK's future trading prospects will bring forward the timing of the next UK recession. In the coming weeks and months Arlingclose will therefore review all UK based institutions, and it is likely that, over time, will advise shortening durations on those institutions considered to be most affected.

Earlier in the quarter Moody's downgraded Deutsche Bank's long-term rating from Baa1 to Baa2 reflecting the agency's view of increased execution risks for the implementation of Deutsche Bank's strategic plan. In June Moody's downgraded Finland from Aaa to Aa1 on its view that Finnish economic growth will remain weak over the coming years, reducing the country's ability to absorb economic shocks.

Fitch upgraded the long-term rating of ING Bank from A to A+ based on Fitch's view of the bank's solid and stable financial metrics and its expectation that the improvement in earnings will be maintained. Fitch also upgraded Svenska Handelsbanken's long-term rating from AA- to AA reflecting the agency's view that the bank's earnings and profitability will remain strong, driven by robust income generation, good cost efficiency and low loan impairments.

Credit Risk

Counterparty credit quality as measured by credit ratings is summarised below:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2016	2.95	AA	2.26	AA
30/06/2016	3.40	AA	2.56	AA+

Scoring:

-Value weighted average reflects the credit quality of investments according to the size of the deposit

-Time weighted average reflects the credit quality of investments according to the maturity of the deposit

-AAA = highest credit quality = 1

-D = lowest credit quality = 26

-Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Update on Investments with Icelandic Banks

The Council had deposited £2.5M with Heritable Bank Plc on 22nd March 2007 for a fixed period maturing on 22nd March 2011 with interest payable annually. Heritable Bank was a UK registered bank and was placed in Administration on 7th October 2008. Ernst and Young LLP are the appointed Administrators and based on their report issued on 17th April 2009.

The Administrators latest report dated 11th February 2013 projects a base case return of between 84% and 95% and as a result the Council has reassessed the value of recoverable amount. The total dividend received as at 31st March 2015 is £2.425M. The Administrators latest report can be viewed at the following website:

<http://www.heritable.co.uk/abouttheritablebank/news/indexdb55.html%3FNewsID=90&CatID=3.html>

Investments included in the assets figures in the Balance Sheet include above impaired deposit. The details are as follows:

Date Invested	22nd March 2007
Maturity Date	22nd March 2011
Original Amount	£2,500,000
Interest rate	5.72%
Carrying Amount 31.3.2012	£861,273

Carrying Amount 31.3.2013	£507,135
Carrying Amount 31.3.2014	£75,529

The Council received a final payment in August 2015 and no further sums are expected.

5. Compliance with Prudential Indicators

The Authority confirms compliance with its Prudential Indicators for 2016/17, which was set in February 2016 as part of the Authority's Treasury Management Strategy Statement.

6. Outlook for Remainder of 2016-17

Following the UK's vote to leave the European Union, the economic outlook for the UK has immeasurably altered. It will to a large extent be dependent on the nature of the future relationship negotiated with the EU, particularly in relationship to trade. The negotiations crucially hinge on domestic politics which, at the end of the June quarter, were unsettled themselves.

The domestic outlook is uncertain, but likely to be substantially weaker in the short term than previously forecast. Arlingclose has changed its central case for the path of Bank Rate over the next three years. Arlingclose believes any currency-driven inflationary pressure will be looked through by Bank of England policymakers. The likely path for Bank Rate is downwards and the central case is 0.25%, but there is a 40% possibility of that the rate is cut to zero.

	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Official Bank Rate													
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

In addition, Arlingclose believes that the Government and the Bank of England have both the tools and the willingness to use them to prevent any immediate market-wide problems leading to bank insolvencies. The cautious approach to credit advice means that the banks currently on the Authority's counterparty list have sufficient equity buffers to deal with any localised problems in the short term.

7. Summary

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the 2015-16 and the first part of 2016-17. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

6 Comments of Other Committees

Not Applicable

7 Conclusion

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity

during 2015/16 and the first quarter of 2016/17. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

8 Appendices Attached

- 1 - Prudential Indicators
- 2 - Money Markets and PWLB Rates
- 3 - Maturity Rates for New Investments

9 Background Papers

Financial detail provided from the Council's Treasury Management System and General Ledger.

Capital Financing Requirement

Estimates of the Authority's cumulative maximum external borrowing requirement for 2015/16 to 2017/18 are shown in the table below:

	31/03/2016 Actual £000s	31/03/2017 Estimate £000s	31/03/2018 Estimate £000s	31/03/2019 Estimate £000s
Gross CFR	307,590	323,590	339,590	343,590
Less: Other Long Term Liabilities	-47,858	-46,399	-44,558	-42,740
Borrowing CFR	259,732	277,191	295,032	300,850
Less: Existing Profile of Borrowing	-177,372	-173,372	-170,372	-170,372
Gross Borrowing Requirement/Internal Borrowing	82,360	88,293	96,134	101,952
Usable Reserves	-143,559	-143,559	-143,559	--143,559
Net Borrowing Requirement/Investment Capacity	-61,199	-39,740	-18,899	-13,081

In the Prudential Code Amendment (November 2012), it states that the chief finance officer should make arrangements for monitoring with respect to gross debt and the capital financing requirement such that any deviation is reported to him, since any such deviation may be significant and should lead to further investigation and action as appropriate.

	31/03/2016 Actual £000s	31/03/2017 Estimate £000s	31/03/2017 Estimate £000s	31/03/2018 Estimate £000s
CFR	307,590	323,590	339,590	343,590
Gross Debt	225,230	219,771	214,930	213,112
Difference	82,360	103,819	124,660	130,388
Borrowed in excess of CFR? (Yes/No)	No	No	No	No

Usable Reserves

Estimates of the Authority's level of Usable Reserves for 2016/17 to 2018/19 are as follows:

	31/03/2016 Actual £000s	31/03/2016 Estimate £000s	31/03/2017 Estimate £000s	31/03/2018 Estimate £000s
Usable Reserves	-143,559	-143,559	-143,559	-123,266

Prudential Indicator Compliance

(a) Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Authority to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.

The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.

The Section 151 Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the year; borrowing at its peak in 2015-16 was £182m.

	Authorised Limit (Approved) as at 31/03/2016 £000s	Operational Boundary (Approved) as at 31/03/2016 £000s	Actual External Debt as at 22/07/2015 £000s
Borrowing	267	257	177
Other Long-term Liabilities	48	48	48
Total	315	305	225

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.
-

	Approved Limits for 2016/17 £/%	Maximum during Q1 2016/17 £/%
Upper Limit for Fixed Rate Exposure	100%	87%
Compliance with Limits:	87%	Yes
Upper Limit for Variable Rate Exposure	50%	13%
Compliance with Limits:	13%	Yes

(c) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 22/07/2015 £000s	% Fixed Rate Borrowing as at 22/07/2015	Compliance with Set Limits?
under 12 months	50	0	12,000	7.13%	Yes
12 months and within 24 months	50	0	3,000	2.19%	Yes
24 months and within 5 years	50	0			Yes
5 years and within 10 years	75	0	18,000	9.87%	Yes
10 years and within 15 years	95	0	25,508	13.99%	Yes
15 years and within 20 years	95	0	30,022	16.46%	Yes
20 years and within 25 years	95	0	53,000	29.06%	Yes
25 years and above	95	0	35,841	19.65%	Yes

(The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date²)

(d) **Total principal sums invested for periods longer than 364 days**

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2015/16 Approved £000s	22/7/2016 Actual £000s	31/03/2017 Estimate £000s	31/03/18 Estimate £000s
	40,000	36,283	38,704	38,704

² Page 15 of the Guidance Notes to the 2011 CIPFA Treasury Management Code

Money Market Data and PWLB Rates

The average, low and high rates correspond to the rates during the financial year rather than those in the tables below.

Please note that the PWLB rates below are Standard Rates. Authorities eligible for the Certainty Rate can borrow at a 0.20% reduction. Borrowing eligible for the project rate can be undertaken at a 0.40% reduction.

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/4/2016	0.50	0.36	0.36	0.39	0.46	0.61	0.88	0.78	0.83	0.98
30/4/2016	0.50	0.36	0.36	0.38	0.47	0.62	0.90	0.86	0.95	1.13
31/5/2016	0.50	0.35	0.37	0.39	0.46	0.61	0.89	0.82	0.92	1.09
30/6/2016	0.50	0.35	0.36	0.39	0.43	0.55	0.80	0.49	0.49	0.60
Average	0.50	0.36	0.36	0.38	0.46	0.60	0.86	0.77	0.83	0.98
Maximum	0.50	0.36	0.37	0.39	0.47	0.62	0.90	0.88	0.99	1.20
Minimum	0.50	0.35	0.36	0.37	0.40	0.50	0.73	0.49	0.49	0.58
Spread	--	0.01	0.01	0.02	0.07	0.12	0.17	0.39	0.50	0.62

Table 2: PWLB Borrowing Rates - Fixed Rate, Maturity Loans (Standard Rate)

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/4/2016	125/16	1.33	1.82	2.51	3.24	3.33	3.19	3.15
30/4/2016	165/16	1.37	1.95	2.65	3.34	3.40	3.25	3.21
31/5/2016	205/16	1.36	1.93	2.56	3.22	3.27	3.11	3.07
30/6/2016	249/16	1.17	1.48	2.09	2.79	2.82	2.61	2.57
Low		1.09	1.41	2.05	2.76	2.79	2.59	2.56
Average		1.31	1.79	2.46	3.17	3.23	3.07	3.03
High		1.40	2.00	2.71	3.40	3.46	3.31	3.28

Table 3: PWLB Borrowing Rates - Fixed Rate, Equal Instalment of Principal (EIP) Loans (Standard Rate)

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/4/2016	125/16	1.50	1.86	2.54	2.99	3.25	3.34
30/4/2016	165/16	1.59	1.99	2.68	3.11	3.34	3.42
31/5/2016	205/16	1.58	1.97	2.58	2.99	3.23	3.30
30/6/2016	249/16	1.24	1.51	2.11	2.55	2.79	2.86
Low		1.24	1.51	2.11	2.55	2.79	2.86
Average		1.48	1.83	2.48	2.91	3.15	3.23
High		1.59	1.99	2.68	3.11	3.34	3.42

Table 4: PWLB Variable Rates

	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR	Pre-CSR	Pre-CSR	Post-CSR	Post-CSR	Post-CSR
1/4/2016	0.61	0.65	0.67	1.51	1.55	1.57
30/4/2016	0.61	0.65	0.67	1.51	1.55	1.57
31/5/2016	0.65	0.66	0.70	1.55	1.56	1.60
30/6/2016	0.64	0.62	0.62	1.54	1.52	1.52
Low	1.51	1.52	1.52	0.61	0.62	0.62
Average	1.53	1.55	1.57	0.63	0.65	0.67
High	1.55	1.56	1.60	0.65	0.66	0.70

Appendix 3

Approved Counterparties: The Authority 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 Government	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 3 years	£15m 4 years	£15m 10 years	£5m 4 years	£5m 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
BBB or BBB-	£5m next day only	£15m 100 days	n/a	n/a	n/a
None	£3m 12 months	n/a	£5m 25 years	n/a	£5m 5 years
Pooled funds	£10m per fund				

This table must be read in conjunction with the notes below

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

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

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

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 5th September 2016

CONTACT OFFICER: Catherine Meek
(For all enquiries) (01753) 875011

WARD(S): All

PORTFOLIO: Leader and Commissioner for Finance and Strategy –
Councillor Munawar

PART I
NON-KEY DECISION

ADDITIONAL CONTRACT IN EXCESS OF £250,000 IN 2016/17

1 Purpose of Report

To advise the Cabinet of a further contract of an estimated value of over £250,000 that is proposed to be let in the 2016/17 financial.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the following contract be endorsed and to determine whether there are any special requirements it wishes to agree, with regard to the contract:

- CAPITA SIMS.net and FMS Support Service

3 Slough Joint Wellbeing Priorities and Five Year Plan

This report being entirely administrative in nature does not directly contribute to the priorities. However the contract listed in the report will contribute to the priorities of both the Wellbeing Strategy and the Five Year Plan.

4 Joint Strategic Needs Assessment (JSNA)

The JSNA will be considered at the time of letting each contract.

5 Other Implications

(a) Financial

The contract set out in this report is included in approved budgets. Officer delegations authorise Directors to approve expenditure within approved capital budgets and decisions on work programmes within those budgets.

(b) Risk Management

There are no specific issues arising directly from this report.

(c) Human Rights Act and Other Legal Implications

All contracts are let in accordance with the Council's agreed Contract Procedure Rules.

(d) Equalities Impact Assessment

This report being entirely administrative in nature and is not therefore applicable to the Equalities Impact Assessment (EIA). EIA's will be fully considered at the time that each contract is let.

(e) Workforce

Workforce implications will be considered upon the letting of each contract.

6 Supporting Information

Council's Constitution

- 6.1 The Council's Constitution requires that the intention to tender or enter into a contract of a value exceeding £250,000 is reported and approved by the Cabinet. Exemptions to competitive tendering must also be reported for information to the Cabinet.
- 6.2 At its meeting on 11th April 2016 the Cabinet approved a list of contracts in excess of £250,000 in the 2016/17 financial year and agreed that any amendments/addition to the list would be reported to the Cabinet as they arise and this will be done as necessary in the course of 2016/17 financial year. Two further contracts were identified and endorsed by the Cabinet on 18th July 2016.

CAPITA SIMS.net and FMS Support Service

- 6.3 Approval is sought from Cabinet to commence procurement of the above contract with an estimated value of £420,000. Slough Borough Council has historically brokered support contract arrangements for the Capita SIMS net and FMS IT applications on behalf of Slough schools. The support function provides a helpdesk, training and information/support services to schools. The current contract with Capita SIMS commenced on 1 April 2013 and ended on 31 March 2016, with a one year extension agreed to 31st March 2017.
- 6.4 As no further extensions are allowed, there is a need to re-tender so that schools continue to receive good quality support and achieve better value for money. It is proposed to issue a tender for a three year contract, with an approximate value in the region of £420k (around £140k per year). There are no financial implications for the local authority as the costs of the contract are recharged to Slough schools annually and the support charge for each contract year is not paid until the financial year has been reached.

7 Comments of Other Committees

None.

8 **Conclusion**

The Cabinet is requested to approve the commencement of tendering for an additional contract with an estimated value of over £250,000 that is proposed to be let in the 2016/17 financial year.

9 **Appendices Attached**

None.

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SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 5 September 2016

CONTACT OFFICER: Stephen Gibson; Head of Asset Management
(01753 – 875852)

WARD(S): All

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

PART I
KEY DECISION

PROPOSAL TO ESTABLISH HOUSING COMPANY GROUP STRUCTURE

1 Purpose of Report

- 1.1 The purpose of this report is to seek Cabinet's approval to establish a company group structure that would see the introduction of two new wholly Council owned subsidiary housing companies.
- 1.2 The objectives of each company are described in sections 5.6 – 5.12, however the overriding aim is to improve choice, increase quality, and meet varying forms of housing need in the Council's area and to generate independent income streams that will improve the financial resilience of the Council.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That it be agreed that officers build a business case and structure for two subsidiary housing companies: a) **Herschel Homes**, which will provide market rent properties and b) **Slough Homes**, which will provide homes which are affordable to local people and assist the Council better discharge its duties to homeless and other groups of people - these homes will be part of the assets of the Companies and their acquisition will be funded by the Council from the General Fund.
- (b) That it be noted that both Herschel Homes and Slough Homes will be companies that are limited by shares with the Council being the sole shareholder.
- (c) That the Strategic Director Housing, Regeneration and Resources be given delegated authority to establish a project team to progress the realisation of the proposed company structures.
- (d) That the list of 'next steps' as set out in section 5.33 of this report be noted.
- (e) That it be noted that an update report on Herschel Homes and Slough Homes will be presented to Cabinet by December 2016, which will be supported by a detailed business plan and indicative programme.

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

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

3b **Five Year Plan Outcomes**

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

- The introduction of HH and SH will increase choice and encourage people who work in Slough to also live in Slough, which will in turn help businesses of all sizes to locate, start, grow, and stay,
- Increasing the supply of quality accommodation will contribute towards children and young people in Slough being healthy and resilient,
- Borrowing Public Works Loan Board funding to lend to the subsidiary vehicles whilst ensuring net profits are covenanted back to the Council will ensure SBC's income is maximised, and
- The introduction of Slough Homes will increase the supply of rented homes which are affordable to local people, will help prevent homelessness where possible and also help reduce the current financial burden of temporary housing costs.

4 **Other Implications**

(a) **Financial**

The start-up budget for the Group Structure is envisaged to be in the region of £100,000. It is assumed that these costs will be capitalised against the individual SHC's where possible.

The precise funding arrangements adopted for **each** SHC will result from an assessment of the alternative funding streams, such as borrowing arrangements and equity investment by the Council and potentially a third party (e.g. a pension fund). The assumption is that, initially, each SHC will be funded through a loan and equity investment by the Council, itself utilising Public Work Loan Board ("PWLB") finance.

Each SHC would be subject to corporation tax on the profits of its activities. The financial modelling for the business plan will contain a detailed tax analysis.

If Cabinet approves the proposals in this report, future proposed loans to **each company** for each development will be submitted to the Cabinet for consideration and approval (subject to funding provision having been approved for that purpose in the Council's strategic budget).

(b) Risk Management

Risk	Mitigation	Opportunity
Collapse of Housing Market - Failure of a SHC	A slim, low cost structure is proposed, which the Council would control; either one or both companies could be wound up relatively easily if necessary. If a group structure is introduced, each company will be independently registered and will be fire walled.	The properties could be sold, realising the appreciation on capital value to repay loans and generate a profit
Finance - The assumptions in the financial model are not robust or the financial model is flawed	The Business Plan model will be rigorously tested. Assumptions will be challenged and set at prudent levels. Sensitivity analysis and testing will be undertaken and a mitigation strategy for each scenario will be developed.	
Finance - Initial rental values are lower than forecast.	Scheme viability and affordability will be based on up to date and market information and regularly monitored. Advice taken by lettings agents before construction starts on site.	
Finance/Management - Failure to collect all legally recoverable monies	The lettings policy will require the use of direct debits and rental deposits/ credit checks prior to the letting of property.	The Council could enter into an agreement with a Lettings Agent to deliver the service – this will transfer risk, but reduce profitability.
Finance/Management Failure to make available for re-letting or to re-let in timescale	A bad debt and void provision in the Business Case will be monitored carefully, as will the cost of void turnover repairs and time taken to re-let properties.	The Council could enter into an agreement with a Lettings Agent to deliver the service – this will transfer risk, but reduce profitability.
Development Programme - Suitable land sites cannot be identified and / or planning approval is not granted	An initial programme of site has already been identified and is included in the SUR development programme.	Work is underway to find a pipeline of suitable sites.
Tax - The accounting and tax treatment set out in the Business Case is challenged	Expert external tax advice will be obtained and considered as part of the Business Plan.	
Governance – The Governance structures do not allow appropriate decision making and/or enable the project to be	Expert legal advice will be sought to introduce appropriate governance structures. Final Governance arrangements will be finalised	

properly set up or delivered	as part of the business case.	
Demand - Properties prove difficult to rent and impact on the financial projections/profitability	Thorough market research will be undertaken to inform the financial projections and external expertise will be commissioned to support the development of a robust marketing plan.	The Council is potentially establishing a group of SHC's. Should one company fail, properties could be sold between companies at the relevant market value and/or properties could be sold to repay debt.
Capacity – the Council does not have the internal capacity to introduce the company without negatively impacting on business as usual.	Enter into agreements with a local lettings agent for the early years of the company, allowing the focus to concentrate on business development.	Second SBC staff to the Lettings Agent with a view to developing in-house expertise before bringing the company in-house.
Capacity - the Council has inadequate financial, legal and technical resources to support the day to day administration and management of the Company.	Enter into agreements with a local lettings agent for the early years of the company, allowing the focus to concentrate on business development.	Work on the basis that the company will develop in-house capacity within three years.

(c) Human Rights Act and Other Legal Implications

The Council have a general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. Accordingly the Council may own shares in companies, make loans to companies, dispose of assets to companies and receive dividends from companies.

This general power of competence is, however, subject to the limitations that the Council cannot do anything which they were not able to do by virtue of any statutory restriction on their powers which applied before the Localism Act 2011 came into force and they cannot do anything which may be prohibited in the future by any statutory limitations which may be imposed on this general power of competence specifically or on all their powers generally or on all their powers with exceptions which do not include this general power.

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

Accordingly, in connection with its relations with the proposed companies, the Council will still be subject to rules on public procurement and EU Rules on State Aid until these rules are changed by new legislation in the case of the former and by the UK leaving the EU in the case of the latter. Also, in relation to any disposal of any assets to the proposed companies, the Council will be subject to the rules which currently apply to the Council in relation to the disposal of any of its assets.

Under the Public Contracts Regulations 2015 the Council will be able to award contracts to the proposed companies without breaching those regulations provided

the Council exercise over the companies control which is similar to that which they exercise over their own departments, provided the companies carry out more than 80% of their activities in the performance of tasks entrusted to them by the Council or another legal person controlled by the Council, and provided that there is no direct private capital participation in the companies unless the forms of such private capital participation are “non-controlling” or “non-blocking”.

Under State Aid Rules the Council will not be permitted to give the companies any form of financial assistance or unless they do so on terms which are generally available in the market place or unless the Council are able to rely on exemptions contained within the those rules.

Though owned by the Council, the companies are legally separate bodies and therefore they not local housing authorities. The companies, like comparable entities, will be subject to those laws which apply to companies and those engaged in letting homes.

(d) Equalities Impact Assessment

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

(e) Property

See Section 5 below.

5 Supporting Information

Previous options considered and reasons for discounting

5.1 Slough Borough Council (“the Council” or “SBC”) has previously explored two options for the introduction of a Subsidiary Housing Company¹:

- a) Develop and let both market rent and affordable properties (the **multi-tenure option**); and
- b) Develop market rent and possibly market sales (the **market option**).

The previous options would have been General Fund companies. The Council would have lent to those companies on *market terms* for the market homes. The Council would have made a margin on the difference between the interest on money it borrowed via the Public Works Loan Board (“PWLB”) and what it lent at (market rates). The Council would have had the option to offer grants or subsidised loans/free land for the affordable homes.

5.2 Under either of these options the company, though owned by the Council, would not itself be a local authority and therefore not subject to the local authority statutory framework for housing. Those companies would also have been free to decide market rent charges and subject to the Housing and Regeneration Act 2008 (the **2008 Act**) they would have had a wide margin to determine the affordable rents. Despite ministers' concerns that local authority housing companies have been created to avoid rent and right to buy requirements they have chosen not to extend

¹ Subsidiaries are separate, distinct legal entities for the purposes of taxation regulation and liability, and for this reason, they differ from divisions, which are businesses fully integrated within the main company, and not legally or otherwise distinct from it.

restrictions to such companies. The Housing and Planning act 2016 (the **2016 Act**) has not altered this.

- 5.3 To date, the only key decision that has been made is to discount the potential for the Council to act as a property developer. This was deemed to be an unnecessary risk for SBC, when it can transfer development risk and benefit from the expertise Slough Urban Renewal (“SUR”). In making this decision, a significant consideration was the capacity of the Council to operate in a commercial environment as well as manage the introduction of a group structure within the context of competing priorities.

Current Position

- 5.4 The Council is embarking on a pipeline of HRA development schemes to increase the supply of affordable housing and has previously agreed that these should be constructed by SUR. Simultaneously; SUR is delivering a programme of commercial schemes on General Fund sites. Whilst the commercial schemes allow the Council to receive 100% of the land value plus 50% of net profit, increasing budgetary pressures and a renewed emphasis on revenue generation has resulted in the Council reviewing this operating model. Instead of realising short-term profits, SBC is re-focussing its approach with a view to retaining and/or acquiring completed properties to benefit from a long-term income stream and capital appreciation.
- 5.5 Officers are now considering alternative proposals for two housing companies. Both companies would acquire homes (and not develop them) and each company would have a different focus:
- 5.5.1 One would focus on market rents (**Herschel Homes**); and
 - 5.5.2 The other would seek to provide homes for people who are homeless or otherwise fall within policy objectives. The objective is to apply a discount on rents for these homes with some cross-subsidy being provided from homes let at market rents (**Slough Homes**).

Herschel Homes

- 5.6 Herschel Homes would acquire completed units (either from SUR or from private developers) to provide high quality housing for market rent. This could include planned developments of SBC-owned sites at Alpha Street, Maria Cowland Centre, 150-160 Bath Road and Wexham Nursery as well as sites developed by third parties.

The fact that the Council already has a well defined list of regeneration sites and an approved delivery vehicle (SUR) in place to construct new build housing in Slough has the potential to provide reassurance that Herschel Homes (“HH”) will realise its business objectives.

- 5.7 The HH proposal (market rent activity) is, except for the lack of development activity, identical to the previous *market option*. It would largely share the same risks and requirements of that previous option. In summary:
- The Council must articulate its purpose - that this is a business/income activity (and refrain from statements about RTB/rents etc.);
 - Ensure that state aid risk is managed by ensuring loans, services and property transfers to it (from the Council) are made on market terms;
 - Company governance arrangements should be structured to reflect that it is a business which needs to succeed on those terms;

- Seek to attract business expertise – potentially through part time non-exec Directors;
- Ensure accountability to the Council through a shareholder's agreement to ensure control over key financial and strategic matters;
- Avoid conflicts of interest through internal Council protocols – especially concerning viability/loans/performance.
- Test the business model to ensure that acquiring/renovating homes and letting them is financially viable/including its cash flows – the Council will be limited in its ability to rescue a failing *market company*;

5.8 It is envisaged that:

- The Board of HH would consist of a mix of suitably experienced senior officers and Cabinet members with relevant portfolios.
- The Company will enter into agreements with SBC to acquire services as required.
- In the early years (1-2) of the company, the day-to-day lettings, management and marketing will be managed on behalf of HH by a lettings company. This will allow SBC staff acting on behalf of HH to concentrate on business development (i.e. building the portfolio).
- Whilst selected 'second hand' properties could be acquired if they reflected the operating model of HH and were deemed to represent a good investment, HH will primarily focus on acquiring and leasing new build properties within Slough.
- The business plan will assume that the service will be brought completely in-house by year 3.
- To reduce tax liabilities, all net profits will be transferred back to the Parent Company (the Council) in the most tax efficient manner.
- An individual business plan will need to be approved by the board and SBC.

Slough Homes

- 5.9 Slough Homes ("SH") would focus on providing homes to a wider range of people than those who have traditionally been council or housing association tenants. Local market housing failure means that an increasing number of residents are unable to afford decent homes in the area. This failure not only has an adverse effect for individuals but also threatens the local economy. Further it will assist the Council to more easily discharge its responsibilities to homeless residents and others and in containing or reducing the cost of expensive temporary accommodation such as Bed and Breakfast hotels. It would also be possible for Slough Homes to secure accommodation for specialist purposes such as housing for care leavers. The Company will sit for accountancy purposes within the Council's General Fund.
- 5.10 Over the next two years SBC will build 23 new build properties for rent at Ledgers Road, 34 at Wexham Nursery, 11 apartments at Eschle Court, 19 specialist properties at Rochford Gardens and 5 individual units, providing a total of 92 new social rented properties by March 2018. Whilst these projects will address a proportion of the need, there is still a significant shortfall, which is exacerbating demand for temporary accommodation and increasing pressure on the General Fund. At the same time, the pace of investment in new affordable housing struggles to counter the losses in the HRA stock base through Right to Buy ("RTB") sales. Government proposals requiring the sale of valuable council assets will only lead to greater imbalance.² The proposed introduction of Slough Homes is therefore a proactive approach to address several drivers.

- 5.11 SH could be structured on similar lines to Herschel Homes. However, its target tenant groups need to be carefully considered to ensure that the Council is able to justify its activities to avoid a potential judicial challenge that it is improperly using its powers. As with the previous options and Herschel Homes the Council will operate/fund SH through its General Fund.
- 5.12 It is envisaged that:
- The Board of SH would consist of a mix of suitably experience senior officers and Cabinet members with relevant portfolios.
 - The Company will enter into agreements with SBC to acquire services as required.
 - Unlike HH, all day-to-day business activities (allocations, property management and marketing) will be managed on behalf of SH by SBC, operating under an agreement to provide services.
 - SH will seek to acquire lower valued properties and will purchase a mix of 'second hand' and new homes within Slough.
 - To reduce tax liabilities, all net profits will be transferred back to the Parent Company (the Council) in the most tax efficient manner.
 - An individual business plan will need to be approved by the board and SBC.

Relationship Agreement between SBC and Subsidiary Companies

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

Each of these roles are described in detail in sections 5.14 – 5.23 below.

- 5.14 **The Funder Role** is where the Council acts as a funder and would in determining whether to lend money to HH and SH. To provide resilience and deal with potential conflicts of interest it is recommended that the Funder Role is discharged by the section 151 officer. In effect the Funder Role will act as a bank credit committee. The Funding Role's primary task will be to assess viability (as an entity) for each project which loan funding will be used for and using this analysis to determine whether to release loan funding.
- 5.15 It will also be necessary for the Funder Role to regularly monitor and analyse financial information generated by each company during the lifetime of each loan to ensure that they are not in breach of key financial requirements (which will be stipulated as funding conditions/covenants in each loan). For State Aid reasons the Council and its Funder Role will need to establish that for each loan a notional private lender would make that loan in identical circumstances to the Council.
- 5.16 The Funder Role also will have to satisfy itself that each particular loan is made in compliance with State Aid requirements and that any statutory or constitutional changes (e.g. a change in the Secretary of State's consent regime and internal

² The actual RTB sales in 2013/14 and 2014/15 were 67 and 65 respectively. The projected completions in 2015/16 are 46, providing an average of 60 per year. Using this as a basis for comparison, if the HRA builds 67 new homes by 31/3/18, there will still be a net loss of 53 units.

changes to the Council's constitution and procedures) would not render a proposed loan and/or proposed development ultra vires. For these assessments the Funder Role is likely in part to rely upon the Council's General Role and functions such as legal services.

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

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

5.18 Whilst the Shareholder Role is not a vehicle for the Council to remotely manage HH or SH, it provides a framework within which HH operates and runs its business. This will include approving the annual business plan.

5.19 This particular Shareholder Role may be very different from those which the Council typically operates. This is because the involvement of Officers and Members in other entities may focus more on policy and community outcomes rather than be purely commercially driven. The Shareholder Protocol could include a statement which sets out why exercising the Shareholder Role for HH is different.

5.20 To minimise conflict of interest the person appointed to undertake the Shareholder Role in the Council should ideally not be a Director of either company. This is because part of the Shareholder Role will be to hold each company's performance to account and a Director of HH or SH will be responsible for that performance.

Avoiding Conflicts of Interest

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

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

- 5.22 To avoid these potential conflicts, the Council could avoid appointing individuals responsible for the Funder Role, the Shareholder Role or 'scrutinising' the performance of either HH's or SH's performance as a Director of either company.
- 5.23 **The General Role** is the Council's ordinary governance (including financial governance) role.

Business Plans

- 5.24 A comprehensive business plan will be developed for **each** company. The individual plans will include financial modelling and assumptions; land and development assumptions; rental income projections; cash flow; fees, costs and tax, funding profile, sensitivity analysis and resources.
- 5.25 The business plans will identify the:
- a) Aims and objectives of **each** SHC,
 - b) Investment and other resources required to deliver those objectives,
 - c) Appropriate mix of units for each site based on the current shape of demand to avoid potential over-supply which might impact on let up rates, void rates and rent levels,
 - d) Anticipated rates of capital growth,
 - e) Likely business risks, the appropriate mitigation and how significant these risks will be managed,
 - f) Expected financial results (including sensitivity analysis), and
 - g) Anticipated contribution that each company will make the 5 Year Plan.
- 5.26 A specialist external advisers will be appointed on behalf of each company to assist with this process.

Staff Resources/Capacity – Development and Implementation

- 5.27 To be efficient, Cabinet should agree broad parameters/outcomes for **each** company. This will involve: setting a budget for a company (what sums will be available to lend/invest), confirmation of target tenants, an appraisal of the cost and quality of homes to be purchased and assessing local market rents.
- 5.28 The above highlights the skillset that the Council's internal project team will require. The team will include a:
- Person with experience of local housing – knowledge or understanding of services/quality that non-council tenants expect,
 - Person who understands tenancy management/maintenance services (this could be the same officer as above),
 - Finance Officer – key to ensure any business plan works, **and very importantly**
 - Senior Officer who acts as champion and oversees the project team. It is anticipated that this role will be undertaken by the Strategic Director of Regeneration, Housing and Resources.
- 5.29 There will be a significant amount of work involved and project team members' available time will need to reflect this.

- 5.30 The introduction of a group of SHC's will involve a requirement for expert tax and legal advice. This report suggests that these work streams should be outsourced.
- 5.31 Looking forward (and as set out above), It is envisaged that staff from SBC will provide services to **Slough Homes** and manage the services in-house based on an agreed set of fees.
- 5.32 With regards to **Herschel Homes**, staff from SBC (probably Asset Management) will oversee the performance of the company in years 1- 2 and manage the relationship between HH and a lettings company. Thereafter, the company will be brought in-house. As above, all services provided to HH will be recharged accordingly.
- 5.33 The anticipated next steps and associated costs are as follows:

Item	Cost	Comment
Commission independent market research and business planning support	Estimated at £25,000-£30,000	To identify levels of demand across the borough (the number, type, location, timing and value of properties that will be acquired) A business cases for each company for the Cabinet's approval – requirement of section 95 Local Government Act 2003; A business plan for each of the businesses; and provide an independent opinion on market rents and use this information to develop a robust business plan including costs associated with the establishment of the company
Appoint a specialist tax advisor	Estimated at £10,000	To provide advice on the most tax efficient process to minimise Stamp Duty Land Tax (SDLT) and minimise payments of corporation tax.
Initialise a cross department project team	Estimated at £20,000	A team will be established with representatives from Housing, Asset Management, Finance and initially Legal Services. Where possible, these internal staff costs to be capitalised
Additional Legal/Governance advice	Anticipated £40,000	Work with legal and governance advisors to establish: <ul style="list-style-type: none"> • the articles of association; • Shareholder agreements between the companies; • Facility/loan/equity funding agreements; • State aid compliant funding agreement (affordable homes); • Entrustment Deed for the homes which are affordable; • Debenture/security agreement; • Form of tenancy agreements for each company • the terms of funding, tax and VAT considerations etc.

6 **Conclusions**

- 6.1 As mentioned above, both Slough Homes and Herschel Homes would be separate legal entities that would be wholly owned by the Council. Both companies would have the power to undertake anything a company can do and in particular to acquire and hold land and properties
- 6.2 Each company would be run by its Directors but their decision making would be constrained by a Shareholders Agreement which would define the limits the Council wants to place on the ability of the Directors to make decisions and in particular the decisions that would need shareholder consent. The Council would be the sole shareholder and as such decisions as to how to exercise its shareholder powers would be determined by the Council.
- 6.3 The introduction of Slough Urban Renewal has helped to provide a pipeline of General Fund sites that could be acquired upon completion. If approved, this would provide a scenario where in addition to the Council receiving 100% of the land value and 50% of the net development profit, it would benefit from:
- The long-term income stream created via the net profits returned from each company,
 - Reduced expenditure on temporary accommodation through the provision of new affordable housing created by SH, and
 - Spread its fixed-costs by leasing space and providing services to both companies.
- 6.3. The activities of the company would in the early years be funded by the Council through the provision of State Aid-compliant loans to the company. The Council would fund these loans either through borrowing from the Public Works Loan Board or from other financial institutions, where preferable (or when money is available by lending money the Council would otherwise hold on deposit). The margin on these loans would generate additional surpluses for the General Fund whilst offering the housing company competitive loans secured against its housing stock.
- 6.4 The introduction of Herschel Homes and Slough Homes will allow the Council to generate independent income streams that will improve its capacity to operate in a self financing environment and contribute towards the ambition of making Slough a place where people want to live, work and do business.

7. **Appendices Attached**

None

8. **Background Papers**

There are no background papers

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 5 September 2016

CONTACT OFFICER: Stephen Gibson; Head of Asset Management
(01753 – 875852)

WARD(S): Central Ward

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

PART I
KEY DECISION

OLD LIBRARY SITE DEVELOPMENT OPTIONS

1 Purpose of Report

- 1.1 Having agreed to build two hotels and a restaurant on part of the Old Library site (“OLS”) in June 2016 and enter into Heads of Terms with a hotel operator, it was agreed that a follow-up report should be presented to Cabinet in September 2016 to consider options for the remainder of the site.
- 1.2 Having evaluated the available options, this report seeks approval to build 60 residential apartments on the remainder of the site and simultaneously agree that these will be developed by the Slough Urban Renewal (“SUR”).

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That it be agreed that in addition to buildings two hotels and a restaurant, the mixed-use scheme should include 60 residential apartments.
- (b) That it be noted that having previously granted an option over the land, the entire mixed-use scheme will be developed by SUR.
- (c) That it be noted that a separate report will be presented to Cabinet in spring 2017 that seeks approval to dispose of the residential element for a sum that reflects the best value valuation.

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

The development of the site would make a contribution to the Regeneration and Environment of Slough’s Joint Wellbeing Strategy, as follows:

- Constructing the new developments will improve local temporary employment opportunities through SUR’s commitment to promoting employment and skills as well as increasing apprenticeship opportunities enabling local people to improve their learning and skill base.

3b Five Year Plan Outcomes

The residential element of the scheme will help deliver the following of the Five Year Plan outcomes:

- **OUTCOME 2:** Introducing new homes for rent and sale will contribute to realising the objective of increasing the supply of good quality housing across tenures and compliment the emerging Housing Strategy.

4 Other Implications

(a) Financial

The land value that will be generated will represent the Council's equity investment into SUR. This equity investment is documented in what is termed a loan note. The loan note 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 remains for all practical purposes 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.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal – SUR is sued by creditors of the joint venture Legal – Action is brought against the Council if the land is not transferred as it is subject to an option.	There are clear firewalls between the Council and SUR. Authority of Cabinet is obtained and the land is transferred in accordance with the terms of the option if the option is exercised	
Property – The impact of the EU Referendum is largely unknown. House prices could fall, resulting in anticipated sales values being unachievable.	Morgan Sindall Investment Limited are a commercial partner and will ensure all development realised is financially viable and synced to market cycles. The impact of Crossrail and Western Rail Access to Heathrow is anticipated to retain high property values in Sough.	The Council will participate in any growth in value achieved during the construction period.
Health and Safety – workers are harm or killed during the course of construction or local residents are harmed accessing the site.	Morgan Sindall is a national construction company with established Health and Safety procedures.	

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	
Human Rights Issues	No risk Identified	
Community Support	No risks identified	
Communications	No risks identified	The development of small sites 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 (CCS).	
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 share in development profits on the private units. The potential exists for the Council to acquire the completed units via a Subsidiary Housing Company – although this is subject to approval of such an initiative.
Finance - The "price" does not realise best value	External consultants have been appointed to confirm that the land price reflects the best value valuation for the site.	The indicative price discussed at present is far higher than the original indicative price assumed when the 'LABV' was created
Finance – The development does not generate a profit or makes a loss	The Council has taken independent advice on costs and revenue to ensure that the project is viable and will deliver a profit	Should the sales period be shorter than anticipated, costs will reduce, resulting in an increase in the Council's share of the profit.
Finance – Higher than anticipated construction costs	Once crystallised, a fixed price contract is agreed therefore the risk is with the main contractor acting for SUR.	
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.	
Governance – Poor performance	The SUR has an established board of directors that are	Board members are from both the private and public sector

	already competently directing the company's business.	ensuring a balance between commerciality and long term objectives.
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(c) Human Rights Act and Other Legal Implications

Under Section 123 of the Local Government Act 1972 the Council have power to dispose of any land held by them in any manner they wish but cannot dispose of it for less than the best consideration than can reasonably be obtained unless they have the consent of the Secretary of State to do so. Accordingly the Council would have power to dispose of the land to SUR for the best consideration that can reasonably be obtained without the need to obtain the Secretary of State's consent or for less than best consideration with his specific consent. The Secretary of State has issued a General Consent (The Local Government Act 1972: General Disposal Consent (England) 2003) under which Council's may dispose of land for less than best consideration if the Council consider that that the purpose for which the land is to be disposed of is likely to contribute to the economic, social or environmental well-being of the whole or any part of their area or of all or any persons resident or present in their area and provided that the difference between the unrestricted value of the land in question and the consideration for the disposal does not exceed £2,000,000. The independent valuation will confirm that best value has been achieved.

(d) Equalities Impact Assessment

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

(e) Property

The OLS is included in the option agreement between the Council and SUR. The option agreements sets out the conditions SUR needs to satisfy before the land is transferred from the Council to the joint venture company. As mentioned above, Section 123 (2) of the Local Government Act 1972 prevents the Council from disposing of land for less than the "best that can reasonably be obtained" without the consent of the Secretary of State. In the case of the OLS, the land value represents the "best that can reasonably be obtained" on the special assumption that the site will obtain planning permission and the land value has been calculated on what is termed a residual land value basis. In other words the land value is the Gross Development Value of the completed development less the costs required to carry out the development (excluding land but including profit).

The costs of undertaking the development will be subject to both a market testing exercise and also in the case of the construction costs, an open book tender exercise has been completed for all of the major sub-contractor packages which has been overseen by an independent Quantity Surveyor appointed by SUR.

5 Supporting Information

- 5.1 As reported previously, the Council bought back the Old Library Site ("OLS") from the Homes and Communities Agency ("HCA") in 2015. With the impending opening of the Curve and the transfer of library services into the new facility, the OLS was

identified as a surplus asset some time ago. The site is owned by Slough Borough Council (“SBC” or “the Council”) and is subject to an option in favour of SUR.

- 5.2 In reviewing the most appropriate use for the remainder of the OLS and working on the basis that doing nothing is not an option, two credible options emerged. These are discussed in Confidential Appendix 1. On the basis of this exercise, the proposal in this report is that the Council should pursue a mixed-use development that includes two hotels, a restaurant and 60 residential apartments.
- 5.3 The image below provides a representation of the proposed massing. The hotels occupy the northern and part of the eastern sides of the site with frontage to Wellington Street and William Street, with the residential and restaurant having a primary frontage onto High Street with a return to William Street.



- 5.4 In parallel to this report, the Council is considering proposals to establish two wholly owned subsidiary housing companies. Subject to approval by Cabinet, the introduction of the residential element will provide an opportunity for the Council to realise a long-term oncome stream and capital appreciation through renting the high quality properties via Herschel Homes.

6 Comments of Other Committees

- 6.1 There are no comments from other committees.

7 Conclusion

- 7.1 Cabinet has already agreed to fund the construction of two hotels and a new restaurant. The introduction of a further 60 residential units on the OLS along and the transfer of the Registrar Service into the Curve are a clear indication that Slough means business and the Council is playing a key role in town centre regeneration.

7 Appendices Attached

Appendix 1 – Confidential Options Appraisal (Part II – contains exempt information)

8 Background Papers

None

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 5th September 2016

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

WARD(S): All

PORTFOLIO: Leader, Finance and Strategy – Councillor Munawar

PART I
NON-KEY DECISION

NOTIFICATION OF DECISIONS

1. Purpose of Report

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

2. Recommendation

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

3. Slough Joint Wellbeing Strategy Priorities

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

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

4. Other Implications

(a) Financial

There are no financial implications.

(b) Human Rights Act and Other Legal Implications

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

5. Supporting Information

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

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

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

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

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

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

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

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

6. Appendices Attached

'A' - Current Notification of Decisions – published 5th August 2016.

7. Background Papers

None.

NOTIFICATION OF DECISIONS

1 SEPTEMBER 2016 TO 30 NOVEMBER 2016

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 |

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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.

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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 - 5th September 2016

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<u>Provision of a Temporary Ice Facility</u> To consider any proposals, if required, further to the decision of the Cabinet on 18 th July 2016 to explore the options for the provision of a temporary ice facility during the period of the refurbishment of the ice arena.	E&L	All	All	Roger Parkin, Strategic Director Customer and Community Services Tel: 01753 875207	O&S, 14th July 2016	None	√	Yes, p3 LGA
<u>The Old Library Site - Development Proposals Update</u> Further to the report to Cabinet in March 2016, to consider a follow-up report on the business case to support the redevelopment of the Old Library site.	F&S	Central	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None		Yes, p3 LGA
<u>School Places Strategy - Delivery Options</u> To consider the preferred option for the next stage in the delivery of secondary school places.	E&C	All	All	Tony Madden, Principal Asset Manager Tel: 01753 875739	-	None	√	Yes, p3 LGA
<u>Heart of Slough, North West Quadrant/ William St Car Park and Ancillary Land</u> To consider a report providing an update on the site and it's re-development strategy.	H&U	Central	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None	√	Yes, p3 LGA

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

Bold – Key Decision

Non-Bold – Non-Key Decision

Italics – Performance/Monitoring Report

<u>Subsidiary Housing Company Group Structure</u> To consider a proposal on the group structure of a subsidiary housing company.	H&U	All	All	Stephen Gibson, Head of Asset Management Tel: 01753 875852	-	None	√	Yes, p3 LGA
<u>Treasury Management Annual Report</u> To receive an update on the performance against the Treasury Management Strategy, as approved by Council in February 2016.	F&S	All	All	Stephen Fitzgerald, Interim AD, Finance & Audit Tel: 01753 875358	-	None		
<u>Discretionary Housing Payments Update</u> Further to the Cabinet report of March 2016, to receive a progress report to advise Members on set out the level of demand for assistance and consider the impact of wider welfare reforms.		All	All	Stephen Fitzgerald, Interim AD, Finance & Audit Tel: 01753 875358	-	None		
<u>Notification of Forthcoming Decisions</u> <i>To endorse the published Notification of Decisions.</i>	F&S	All		Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None	√	

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Bold – Key Decision

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Italics – Performance/Monitoring Report

Cabinet - 19th September 2016

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<u>Medium Term Financial Strategy and Efficiency Statement</u> To consider a report on the Council's Medium Term Financial Strategy.	F&S	All	All	Stephen Fitzgerald, Interim AD, Finance & Audit Tel: 01753 875358	-	None		
<u>Financial & Performance Report: 1st Quarter 2016/17</u> To receive the latest financial and performance information for the period between April – June to 2016 including revenue and capital expenditure; write off and virement requests; fees and charges, including those relating to court costs; and the Council's Balanced Scorecard and Gold Project updates.	F&S	All	All	Stephen Fitzgerald, Interim AD, Finance & Audit Tel: 01753 875358	-	None		
<u>Services Contract between the Council and Slough Children's Services Trust Limited (SCST)</u> Further to the Cabinet report of 27th June 2016, the consider a report on the Services Contract between the Council and SCST.	E&C	All	All	Krutika Pau, Children's Services Director (Interim) Tel: 01753 875751	-	None		
<u>Issues and Options for review of the Local Plan for Slough</u> To agree Issues and Options for the review of Slough's Local Plan which would be the subject of public consultation.	H&U	All	All	Paul Stimpson, Strategic Lead Planning Policy & Projects Tel: (01753) 875820	Planning Committee	None		

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Bold – Key Decision

Non-Bold – Non-Key Decision

Italics – Performance/Monitoring Report

<u>Refresh of Slough Joint Wellbeing Strategy</u> To consider a draft of the Slough Joint Wellbeing Strategy 2016-2020 and, if approved, recommend the refreshed strategy to Council.	F&S	All	All	Dean Tyler, Head of Policy, Partnerships & Programmes Tel: (01753) 875847	SWB, July 2016	None	√	
<u>References from Overview & Scrutiny</u> <i>To consider any recommendations from the Overview & Scrutiny Committee and Scrutiny Panels.</i>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None		
<u>Notification of Forthcoming Decisions</u> <i>To endorse the published Notification of Forthcoming Key Decisions.</i>	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None		

Cabinet - 17th October 2016

Item	Port- folio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<u>References from Overview & Scrutiny</u> <i>To consider any recommendations from the Overview & Scrutiny Committee and Scrutiny Panels.</i>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None	√	
<u>Notification of Forthcoming Decisions</u> <i>To endorse the published Notification of Decisions.</i>	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None	√	

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Bold – Key Decision

Non-Bold – Non-Key Decision

Italics – Performance/Monitoring Report

Cabinet - 21st November 2016

Item	Port- folio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<u>Financial & Performance Report: 2nd Quarter 2016/17</u> To receive the latest financial and performance information for the period between July to September 2016; including revenue and capital expenditure; write off and virement requests; and performance information.	F&S	All	All	Stephen Fitzgerald, Interim AD, Finance & Audit Tel: 01753 875358	-	None	√	
<u>References from Overview & Scrutiny</u> <i>To consider any recommendations from the Overview & Scrutiny Committee and Scrutiny Panels.</i>	DT	All	All	Shabana Kauser, Senior Democratic Services Officer Tel: 01753 787503	-	None	√	
<u>Notification of Forthcoming Decisions</u> <i>To endorse the published Notification of Decisions.</i>	F&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None	√	

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Italics – Performance/Monitoring Report

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