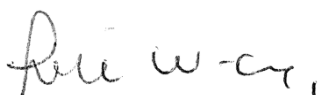


Date of issue: Friday, 4 October 2019

<b>MEETING:</b>	<b>CABINET</b> Councillor Swindlehurst  Councillor Hussain  Councillor Anderson  Councillor Bains Councillor Carter Councillor Mann Councillor Nazir Councillor Pantelic	Leader of the Council and Cabinet Member for Regeneration & Strategy Deputy Leader of the Council and Cabinet Member for Governance & Customer Services Sustainable Transport & Environmental Services Inclusive Growth & Skills Children & Schools Planning & Regulation Housing & Community Safety Health & Wellbeing
<b>DATE AND TIME:</b>	<b>MONDAY, 14TH OCTOBER, 2019 AT 6.30 PM</b>	
<b>VENUE:</b>	<b>COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EJ</b>	
<b>DEMOCRATIC SERVICES OFFICER: (for all enquiries)</b>	<b>NICHOLAS PONTONE  01753 875120</b>	

NOTICE OF MEETING

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



**JOSIE WRAGG**  
Chief Executive

**AGENDA**

**PART I**



<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		
1.	Declarations of Interest	-	-
	<i>All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 4 paragraph 4.6 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i>		
2.	Minutes of the Meeting held on 16th September 2019	1 - 10	-
3.	Cabinet Portfolios and Lead Member Responsibilities	11 - 16	-
4.	Treasury Management Annual Report	17 - 38	All
5.	<b>Community Investment Fund 2019/20 Update</b>	39 - 50	All
6.	Active Slough- A Leisure Strategy for Slough	51 - 58	All
7.	Impact Assessment of a No Deal Brexit on Slough	59 - 68	All
8.	References from Overview & Scrutiny	-	All
9.	Notification of Forthcoming Decisions	69 - 78	All
10.	Exclusion of Press and Public	-	-
	It is recommended that the Press and Public be excluded from the meeting during consideration of the item in Part 2 of the Agenda, as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding the information) as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).		
<b>PART II</b>			
11.	Part II Minutes - 16th September 2019	79 - 80	-
12.	<b>Heart of Slough Old Library Site Senior Debt Report</b>	81 - 110	Central
13.	<b>Response to LGA Financial Peer Review of Slough Children's Trust</b>	To Follow	All

## Press and Public

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Please contact the Democratic Services Officer shown above for further details.

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

Note:-

**Bold = Key decision**

Non-Bold = Non-key decision

This page is intentionally left blank

**Cabinet – Meeting held on Monday, 16th September, 2019.**

**Present:-** Councillors Swindlehurst (Chair), Hussain (Vice-Chair), Anderson, Carter, Mann, Nazir and Pantelic (until 7.40pm)

**Also present under Rule 30:-** Councillors Dar and Sabah

**Apologies for Absence:-** Councillor Sadiq

**PART 1**

**28. Declarations of Interest**

No interests were declared.

**29. Minutes of the Meeting held on 15th July 2019 and the Extraordinary Meeting held on 2nd September 2019**

**Resolved –** That the minutes of the meeting of the Cabinet held on 15<sup>th</sup> July 2019 and the Extraordinary meeting held on 2<sup>nd</sup> September 2019 be approved as a correct record.

**30. Revenue Financial Update Q1 2019/20**

The Lead Member for Governance & Customer Services and the Director of Finance & Resources introduced a report that updated on the Council's revenue position for the first quarter of the year to the end of June 2019.

The forecast end of year position for all Council run services was an overspend of £1.641m which was 1.5% of the revenue budget. This was in line with previous years and management actions were in place to address the areas of overspend. However, recent information had been received from Slough Children's Services Trust (SCST), which the Director, as Section 151 Officer, had decided needed to be included in the budget monitor as it potentially had a significant material impact on the Council's financial position. SCST had reported a forecast £3.7m overspend in 2019/20 due to increases in staffing, placement and legal costs attributed to a spike in referrals in October/November 2018 and January 2019. The Council had made an advanced payment of two months when the Trust was established in 2015 for cashflow purposes. The Officer stated that given the risks, provision for this further sum of £4.3m should be included which resulted in a total potential deficit of £8m. Taken together with the Council run services, the total projected overspend was therefore reported as £9.641m which was 9% of the revenue budget.

The Cabinet was concerned about the position regarding the Trust's finances and the potential impact that it could have on other Council services. During the course of the discussion on the position, Lead Members noted that detailed work and discussions were taking place between the Council, SCST

and Department for Education (DfE), who had established the Trust, to urgently address the situation. The Local Government Association (LGA) would be conducting a detailed review of the SCST finances to understand the reasons for the overspend and identify actions that the Trust could apply. The Council was in an otherwise strong financial position and had sufficient reserves to cover the maximum liability, if required, however they would be significantly depleted. The contract with SCST was in place until 2021 and it was recognised that it was in the Council's interests that the Trust was in a stable financial position at the point the future arrangements for managing children's services were in place.

Members expressed surprise and concern about the position and commented that it was unsatisfactory that the contract with the Trust had not included sufficiently transparent financial reporting to the Council. It was also confirmed that when the DfE established the Trust it had a fixed budget and did not require it to have or provide its own reserves to increase its financial resilience. The Cabinet asked about the approach that was being taken with regards to discussions with the Trust and Officers confirmed that their senior management was working with the Council, including on the LGA review. It was in the interests of all parties to stabilise the finances and understand the reasons for the overspend. Lead Members emphasised the importance of carrying out this work comprehensively and as quickly as possible to establish the financial implications for the Council. Strengthening the governance of the Trust board, including the Council's level of representation which was currently one non-executive director, would need to be reviewed to ensure there was sufficient transparency.

At the conclusion of discussion, the Cabinet noted the revenue financial update and agreed the write off requests. In terms of the financial position of the Trust, it was agreed that monthly updates would be provided to Lead Members & Directors and quarterly to the Cabinet in future revenue budget monitoring reports.

**Resolved –**

- (a) That the reported underlying financial position of the Council, including the Slough Children's Services Trust (SCST), as at the first quarter of the year be noted;
- (b) That the management actions being undertaken by the officers to reduce the budget pressures be noted;
- (c) That the Council's request to the Department for Education (DfE) to provide additional financial support relating to the Slough Children's Services Trust (SCST) be noted;
- (d) That the potential impact on the Council's general reserves and associated implications for the Council based on the latest financial projections, be noted;

- (e) That further updates regarding the Council's financial position be provided to Lead Members on a monthly basis and to Cabinet on a quarterly basis; and
- (f) That the write offs as requested in Section 10 of the report be approved.

**31. Capital Financial Update Q1 2019/20**

The Lead Member for Governance & Customer Services introduced a report that summarised spend against capital budgets for 2019/20 to the end of June 2019.

The revised capital budget for the year was £212.5m and the forecast spend was £203.1m, which was a forecast underspend of 4% of the programme. This level of slippage was significantly lower than historic trends. There was a monthly monitoring process in place to seek to ensure that projects were on track with quarterly reporting to Cabinet and the Overview & Scrutiny Committee.

The Cabinet noted the update.

**Resolved –** That the report be noted.

**32. Medium Term Financial Strategy Update**

The Lead Member Governance & Customer Services and the Director of Finance & Resources introduced a report that updated the Cabinet on progress since the current Medium Term Financial Strategy (MTFS) had been approved by Council in February 2019, highlighting new developments and government announcements since that time and summarised the next steps for the revised strategy to 2022/23.

The Cabinet noted the key drivers for the authority's financial strategy and the revised projections. The MTFS agreed in February set out balanced revenue budgets for the following three years which provided a sound base to respond to any further pressures that would emerge.

The update for 2020/21 currently included provision for a further £2.7m Slough Children's Services Growth Bid for pay inflation and other staff, legal and placement costs. This was on top of the £1.4m growth provided in the current year and any financial consequences of the in year overspend reported in the 2019/20 revenue budget monitor. The growth proposal would be worked up by the Trust with the assistance of the LGA Review and the amount requested would therefore be subject to review.

The key aspects of the Chancellor's Spending Review announced on 4<sup>th</sup> September were summarised. This included an extra £1bn nationally for social care and there would be consultation on a further 2% Council Tax precept for adult social care. There was additional revenue support in

## **Cabinet - 16.09.19**

2020/21 to support children with special educational needs, however, it was also noted that the Department for Education's capital budget would be cut by 10%. A further update would be provided on the impacts for the Council in the next scheduled report to Cabinet in November 2019.

The Cabinet noted the report and the timetable for the budget setting process for the next year.

### **Resolved –**

- (a) That the updated MTFS for 2020/23 be noted.
- (b) That the need for Council to set a balanced budget for 2020/21 be noted; and
- (c) That the issues and actions set out in the report which informed the development of the Council's MTFS for 2020 to 2023 be noted.

### **33. Performance & Projects Report Q1 2019/20**

The Service Lead Strategy & Performance summarised a report setting out the latest performance information for quarter 1 of 2019/20. This included the corporate balanced scorecard, update on the project portfolio and progress on the delivery of manifesto commitments.

There were 22 performance indicators of which 11 were 'green' rated to the end of June 2019, with 3 'Amber' and 5 'Red'. Performance had improved on indicators such as the use of direct payments and the crime rate. A Member asked whether this improvement was due to an actual reduction in crime or changes to reporting procedures, as had been the case when the same indicator worsened previously. Further clarification would be provided outside of the meeting. There was a new indicator on bringing empty homes back into use which was currently showing as 'Red', however, it was noted that the Council had an active programme in place to bring such properties back into residential use and the Lead Member for Housing & Community Safety was confident that the target would be met.

The 'Red' rated indicators were reviewed in turn and the Cabinet noted that actions being taken to address performance issues. The majority of projects in the portfolio were 'Green' and 'Amber' and the position of each 'Red' rated progress was noted. There were 43 specific manifesto commitments of which the vast majority were on track for delivery during the year.

The report format had changed significantly over the past year to improve clarity and ensure it was more effective in monitoring and managing corporate performance. The Lead Member for Governance & Customer Services commented that further work would be undertaken to make the document more accessible and readable for residents so that they could hold the Council accountable for performance.



At the conclusion of the discussion, the Cabinet noted the Quarter 1 Performance and Projects Report.

**Resolved –** That the Council's current performance as measured by the performance indicators within the balanced scorecard, the progress status of the gold projects and the manifesto commitments be noted.

#### **34. Localities Strategy Update**

The Interim Director of Regeneration introduced an update on the Localities Strategy since its approval by Cabinet on 25<sup>th</sup> February 2019. The report outlined the progress on the proposed six hubs and sought approval to accelerate the implementation of the strategy by utilising the Council's network of Children's Centres.

The progress of delivery of the individual hubs was summarised, amongst which it was noted that the Chalvey hub was on track and set to open in May 2020; there had been a change in the delivery route of the Trelawney Avenue hub since the last report in February but it was expected to be on site in 2020. The Cabinet was asked to approve delegated authority to the Interim Director of Regeneration to proceed with this revised procurement approach.

Discussions had also taken place about how the Council could maximise the use of its existing portfolio to implement the Transformation Programme and help deliver the Customer Experience Strategy by providing locally based services. This had resulted in a proposal to utilise the network of 10 Children's Centres to allow locality based work for relevant SBC services potentially including adult social care, community development and housing. The recommendations were agreed.

The Cabinet noted the progress that had been made and discussed future reporting arrangements. It was agreed that Lead Members & Directors would receive updates with a further report to Cabinet in February 2020.

**Resolved –**

- (a) That the Council should immediately agree to seek to utilise its network of Children's Centres to accelerate the delivery of the Localities Strategy throughout Slough.
- (b) That it be noted that in the first instance, the Children's Centres would provide further "touch down" workspace for staff and (where possible) locations for meetings between staff and residents. Thereafter, they would be integrated into the evolving strategy.
- (c) That it be noted that the Council had commissioned capacity studies to determine the location of locality buildings in Cippenham and Wexham.

## **Cabinet - 16.09.19**

- (d) That it be noted that the new Chalvey Hub was on schedule to open in May 2020.
- (e) That it be noted that whilst progress had been slower than anticipated at Britwell and Trelawney Avenue, progress was being made to deliver these projects to meet the objectives agreed in February 2019.
- (f) That delegated authority be given to the Interim Director of Regeneration, following consultation with the Cabinet member for Regeneration and the s151 Officer to:
  - i. Agree all financial and non-financial terms related for the development of the Trelawney Avenue Hub via Slough Urban Renewal as a Community Project, provided the costs remain within the budget approved by Cabinet in February 2019.
  - ii. Agree revised Heads of Terms with KDL for the disposal and development of the third party element of the Hub as described in section 5.10 of the report, including authority to negotiate and agree all financial and non-financial terms.
  - iii. Take any other necessary actions and enter into any agreements or documents, acting in the best interests of the Council, in order to enable the redevelopment of the site for the uses as set out in the report.

### **35. Commercial Sub-Committee Terms of Reference**

The Interim Director of Regeneration introduced a report that sought approval for the Terms of Reference for the new Commercial Sub-Committee which the Cabinet had agreed to establish in June 2019.

The purpose of the Sub-Committee would be to maximise existing and future commercial and business development opportunities for the Council. It would strengthen the governance arrangements and improve the transparency of the area in scope which included, but was not limited to, Slough Urban Renewal, the Strategic Acquisition Board, the Council's housing companies and proposed Environmental Services Trading Company. The scale of regeneration and commercial projects in the next 5-10 years was significant and it was considered that the Sub-Committee would have an important role in agreeing a Commercial Strategy and Action Plan to bring together the various activities. The Cabinet was assured that the new arrangements would not dilute the ambitious programme in place but would assist the Council in generating income and supporting front line services.

The proposed Terms of Reference were set out fully in Appendix A to the report and it was proposed that the first meeting be held on 1<sup>st</sup> October 2019. The Sub-Committee would be composed of the Leader and a further three Lead Members with relevant portfolios to be appointed annually. In 2019/20 this would be the Lead Members for Governance & Customer Services, Transport & Environmental Services and Housing & Community Safety.

The Cabinet welcomed the establishment of the Sub-Committee and agreed that it would help the Council adopt best practice in managing commercial activities and balancing the risks. The Terms of Reference were approved.

**Resolved –** That the proposed Terms of Reference for the Commercial Sub-Committee attached as Appendix A be agreed.

*(Councillor Pantelic left the meeting)*

### **36. Stoke Road Corridor Transport and Highway Improvement Works**

The Lead Member for Transport & Environmental Services introduced a report on the Stoke Road Corridor transport and highway improvement works, including to the Slough train station northern forecourt public realm improvements.

The Cabinet welcomed the £7.65m towards the cost of the scheme that had been awarded by the Berkshire Local Transport Body from the Local Growth Fund. Approval was sought for the design as set out in the report and Lead Members discussed the contribution the scheme would make to the delivery of the Council's Transport Vision. Lead Members commented that works would improve access to the station, improve key junctions, support the Mass Rapid Transit schemes; and contribute to the strategic approach to promote sustainable transport. It was noted that the Cabinet would receive a further report on the Transport Vision at a future meeting and would be asked to consider the Car Parking Strategy in December.

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

**Resolved –**

- (a) That the offer of the Berkshire Local Transport Body (BLTB) to provide £7.65 Million from the Local Growth Fund Stream 3 funding towards the cost of the proposed improvement schemes be welcomed;
- (b) That the design of the scheme as outlined in paras Section 4 of the report be agreed in principle subject to the development of the designs through the detailed design process;
- (c) That Officers proceed to secure the land agreements required to receive the new footbridge span over the Grand Union Canal as indicated on the supporting information in Section 5 of the report; to be carried out in agreement with Canal River Trust and Slough Urban Regeneration (SUR);
- (d) That the results of the consultation exercise completed on Friday 1st February 2019 be accepted and the installation of the scheme be approved.

- (e) That Officers investigate further opportunities, made possible by implementation of the scheme, to work towards the aims of the recently released Transport Vision document; in particular to reduce congestion, improve air quality by promoting public transport and reducing the dominance of the car as a mode of travel.

### **37. Heart of Slough - North West Quadrant Update**

The Interim Director of Regeneration introduced a report that updated on the Heart of Slough North West Quadrant project.

The Cabinet had agreed in January 2018 to grant an option to negotiate with Slough Urban Renewal (SUR) to redevelop the former Thames Valley University site. The report set out how the Council had negotiated enhanced commercial terms with SUR which included an exclusivity agreement that would enable each phase to be tendered to the open market which was advantageous to the Council; utilising the expertise of Muse to help progress the project; and strengthened governance arrangements to give the Council more control. The updated masterplan was scheduled for approval in March 2020. The project was closely linked to the Transport Vision and assurance was provided that the plans were aligned to ensure the Council's wider strategic objectives were being met. As part of the negotiations with SUR they had agreed to unconditionally release the option for the site at Weekes Drive which would assist the Council to bring forward a scheme for 110 social and affordable housing units.

The Cabinet welcomed the progress that had been made in bringing forward the TVU site redevelopment to enable to Council to maximise the huge potential of the site to the regeneration of the town. After due consideration, the recommendations were agreed.

#### **Resolved –**

- (a) Significant progress has been made in relation to the delivery of the NWQ and that SUR will present an updated masterplan for approval by March 2020.
- (b) Following a series of positive meetings, the Council has negotiated enhanced commercial terms with SUR for this site, as follows:
  - i. Construction Exclusivity – commercially it is advantageous to the Council to have SUR seek Value for Money through the broadest range of construction entities particularly with the expertise of high rise residential development and therefore SUR will not require any exclusivity to Morgan Sindall companies;
  - ii. Muse expertise and dedicated resources – SUR will appoint their in-house company Muse, who specialise in major regeneration projects similar to the NWQ and they will increase their resources to provide dedicated expertise and leadership of the project;

- iii. Governance – in order to create a bespoke decision making structure, it is appropriate that there is a separation between the day-to-day SUR projects and decision making from the NWQ project. It has been agreed that there will be a dedicated ‘TVU Project Board’, which will be resourced equally from Muse and the Council and directly accountable to the Chief Executive of the Council and the Chief Executive of Morgan Sindall.
- iv. Council Objectives - There are a number of strategically important requirements that the Council have made mandatory to delivering an integrated high quality inclusive development. These include the inclusion of the Network Rail land, adoption of a flexible scheme to accommodate the MRT route and the compliance of affordable housing. SUR have agreed to accommodate all of these objectives;

(c) The proposals for the NWQ will form part of a wider Framework Masterplan for the centre of Slough that will include the redevelopment of the town centre and incorporate the emerging Transport Vision and Cultural Strategy to facilitate and maximise wider social and regenerative benefits for Slough.

(d) As part of negotiations with SUR to refresh the governance arrangements, SUR has agreed to unconditionally release the option for the site at Weekes Drive, which is the catalyst for SBC to bring forward a circa 110 unit affordable housing project.

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

There were no references from Overview & Scrutiny.

### **39. Notification of Forthcoming Decisions**

The Cabinet considered and endorsed the Notification of Decisions published on 16<sup>th</sup> August 2019 which set out the key decisions expected to be taken by the Cabinet over the next three months.

**Resolved** – That the published Notification of Key Decisions for the period between September to November 2019 be endorsed.

### **40. Exclusion of Press and Public**

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

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

## **Cabinet - 16.09.19**

### **41. Part II Minutes - 15th July 2019**

The Part II minutes of the meeting held on 15<sup>th</sup> July 2019 were approved.

### **42. Disposal of Car Park & Garages, Sheehy Way, Wexham Lea**

The disposal of the car park and garages, Sheehy Way was agreed.

Chair

(Note: The Meeting opened at 6.31 pm and closed at 8.15 pm)

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 14<sup>th</sup> October 2019

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

**WARD(S):** All

**PART I**  
**FOR INFORMATION**

**CABINET PORTFOLIOS AND LEAD MEMBER RESPONSIBILITIES**

1. **Purpose of Report**

To formally advise the Cabinet of revised portfolios and the Lead Members responsible for them.

2. **Recommendations**

That the Cabinet note revised portfolios and responsible Lead Members.

3. **Slough Wellbeing Strategy Priorities**

Effective, transparent and equitable democratic and decision making processes are an essential pre-requisite to the delivery of all the Council's priorities.

4. **Other Implications**

The recommendations within this report meet legal requirements. The proposals have no workforce implications and any financial implications have been reflected within the approved budget. There are no Human Rights Act implications.

The Constitution provides for the Leader of the Council to appoint Lead Members and the portfolios they will hold.

5. **Supporting Information**

- 5.1 The Leader of the Council has made a number of changes to the portfolio responsibilities of the existing Cabinet Lead Members to take effect from 19<sup>th</sup> September 2019.

5.2 Lead Members have been appointed to revised portfolios as follows:

- Councillor Balvinder Bains – Lead Member for Inclusive Growth & Skills
- Councillor Martin Carter – Lead Member for Children & Schools.

5.3 There has been a change to the title of 'Transport & Environmental Services' portfolio to 'Sustainable Transport & Environmental Services' and some amendments to the specific areas of responsibility in various portfolios.

5.4 A complete list of the portfolios is attached at Appendix 1 and have been reported to the Council for inclusion in the Constitution.

6. **Appendices**

Appendix 1 – Lead Member Portfolios

7. **Background Papers**

None.



## **Lead Member Portfolios**

### **Leader - Regeneration and Strategy** (Councillor Swindlehurst)

- Forward Strategy and 5 Year Plan
- Overall Budget Strategy
- Financial Planning
- Future planning of Council Assets and Asset Disposals
- Community Hubs and Localities Strategy
- Town Centre (Redevelopment Strategy & regeneration)\*
- External Relations (business)\*
- Heathrow expansion planning Relationship with Heathrow Airport LTD
- Regional/Sub-Regional Plans and Strategies
- Local Government Relationships
- External Communications and overall Communications Strategy

### **Deputy Leader, Governance & Customer Services** (Councillor Hussain)

- Corporate Accounts
- Investments
- Audit
- Legal, Democratic and Member Services
- Procurement
- Performance Management
- Customer Services
- E-government & Digital Transformation
- Council Constitution
- Governance and Management of Commercial Companies and Council Commercial Strategy
- Corporate Landlord function
- Operational Management of Community Buildings and Council facilities

### **Children & Schools** (Councillor Carter)

- Education (including Early Years) and SEND Services
- School Admissions and Attendance
- School Improvement
- School Places Planning
- Corporate Parenting
- Foster Care and Adoption
- Youth Engagement
- Play Strategy \*
- Children's Centres
- Children and Young People's Safeguarding
- Early Intervention
- Unaccompanied Asylum Seekers
- Relationship with Slough Children's Services Trust

## **Health & Wellbeing**

**(Councillor Pantelic)**

- Social and Community Care
- Older People's Services
- Adult Safeguarding
- Careline
- Disabilities and Mental Health
- Substance Misuse
- Prevention and Public Health
- Relationships with NHS and Ambulance Service
- Health & Wellbeing Partnerships
- Equalities\*
- Leisure & Sports Facilities
- Parks, Open Spaces & Grounds maintenance
- Allotments
- Play Strategy \*

## **Housing & Community Safety**

**(Councillor Nazir)**

- Homelessness and Rough Sleeping
- Private Rented Housing Sector
- Estate Management
- Council Housing Repairs
- Neighbourhood Services
- James Elliman Homes
- Herschel Homes
- Development Initiative for Slough Housing (DISH) [conversion into Community Benefit Society]
- Community Safety
- Anti-Social Behaviour and Crime Reduction
- Relationship with Police
- Prevent

### **Inclusive Growth & Skills**

**(Councillor Bains)**

- Apprenticeships
- Careers Service
- Lifelong learning & Skills Training
- Economic Development & Inward Investment
- Benefits & Council Tax
- Human Resources
- Equalities\*
- Town Centre (Retail, “Meanwhile” activities, evening economy etc)\*
- Local Shopping Parades
- External Relationships with Businesses\*
- Partnerships/Relationships with the Voluntary Sector
- Arts and Cultural Strategies/Activity and Events
- Community Cohesion and Faith Group involvement
- Libraries

### **Planning & Regulation**

**(Councillor Mann)**

- Consumer Protection
- Enforcement Services
- Trading Standards
- Food Safety
- Overall responsibility for Licensing Services
- Relationships Fire services
- Coroner
- Cemetery, Crematorium and Registrars Service
- Building Control
- Planning and Development Control
- Local Land Charges
- Emergency Planning

### **Sustainable Transport & Environmental Services** **(Councillor Anderson)**

- Highway and Transport Infrastructure Planning
- Highways Maintenance and Street Lighting
- Travel Plans and Traffic Management
- Parking Facilities and Regulation
- Council Fleet Future Planning and Management
- Public Transport
- Taxi and minicab Licensing
- Surface Access to Heathrow Airport
- Cycling and Walking Strategies and Plans
- Relationships with Bus and Rail providers
- Air Quality and Climate Change
- Council Environmental Services
- Waste Management, Recycling and Refuse Collection
- Energy Efficiency
- Flood Prevention

\* Shared responsibility



**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 14<sup>th</sup> October 2019

**CONTACT OFFICER:** Barry Stratfull Service Lead Finance (Deputy Section151)  
**(For all enquiries)** (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Cllr. Hussain, Lead Member for Governance and Customer Services

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

**TREASURY MANAGEMENT ANNUAL REPORT**

**1 Purpose of 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. Members are requested to note the report which summarises treasury activity in 2018-19 and the first part of 2019-20.

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

The Cabinet is requested that the Treasury Management activities for 2018/19 and the beginning of 2019/20 as set out in the body of this report be noted.

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

The report helps achieve the Five Year Plan by contributing to the Council’s overall financial planning processes.

**4 Other Implications**

(a) Financial

The Financial implications are contained within this report.

(b) Risk Management

<b>Recommendation from section 2 above</b>	<b>Risks/Threats/ Opportunities</b>	<b>Current Controls</b>	<b>Using the Risk Management Matrix Score the risk</b>	<b>Future Controls</b>
Cabinet is requested that the Treasury Management	Counterparty risk- the risk that an institution the council has	The council will work closely with its Treasury advisors to	9	The council has made a conscious decision not to

activities for 2018/19 and the beginning of 2019/20 as set out in the body of this report be noted.	invested is failing or likely to fail resulting in credit loss. Interest rate risk- if interest rates rise the risk that the council will be subject to higher interest costs. If there is a reduction in interest rates or fund prices are affected by a worsening economy lower dividends from funds invested in and a depreciation of the capital value.	mitigate interest rate risk. The council has an approved counterparty list contained in the Treasury Strategy setting out the institutions it can invest in, the maximum periods it can invest for and the total value for investing in individual institutions. This counterparty list is constantly under review by its Treasury advisors	put money in unsecured and low yielding banks and Building Societies deposits.
---	---	---	--

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

(c) Human Rights Act and Other Legal Implications

None Identified

(d) Equalities Impact Assessment

No identified need for the completion of an EIA

## 5 **Supporting Information**

### 5.1 **Background**

- 5.1.1 The Treasury Management Strategy for 2018/19 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2017, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 5.1.2 The Code also recommends that members are informed of Treasury authority is embracing best practice in accordance with CIPFA's recommendations.
- 5.1.3 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."
- 5.1.4 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 2018-19 and the first part of 2019-20.

### 5.2 **External Context**

#### 5.2.1 **The Economic background**

UK Consumer Price Inflation (CPI) for June 2019 was 2.0% year/year, coming in at consensus and meeting the Bank of England's inflation target. The most recent labour market data for the three months to May 2019 showed the unemployment rate remain at a low of 3.8% while the employment rate of 76.0% dipped by 0.1%, the first quarterly decrease since June to August 2018. The 3-month average annual growth rate for pay excluding bonuses was 3.6% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.7%.

- 5.2.2 There was a rise in quarterly GDP growth in the first calendar quarter for 2019 to 0.5%, from 0.2% in Q4 2018 with stockpiling ahead of the (now delayed) 29th March Brexit distorting data. Production and construction registered positive output and growth, however at the end of June 2019, seasonally adjusted Market UK Construction PMI (Purchasing Manager's Index) logged a record-low figure of 43.1, suggesting that construction has suffered a largest contraction in output since April 2009. GDP growth was 1.8% year/year, however with the service sector slowing and a weaker global backdrop the outlook was for subdued growth.

- 5.2.3 Politics has been a big driver over the last quarter. The 29th March Brexit deadline was extended to 12th April and then to 31st October 2019: there is still no clear consensus as to the terms on which the UK will leave the EU. The struggling British high street has continued to dominate headlines with the Arcadia group being saved from collapse in June following an agreement for rent reductions from landlords. The car industry has also struggled in the UK and beyond with announcements of cuts to 12,000 jobs across Europe by Ford.
- 5.2.4 With the deterioration in the wider economic environment, compounded by Brexit-related uncertainty and the risk of a no-deal Brexit still alive, the speech by Bank of England Governor Mark Carney in early July signalled a major shift to the Bank's rhetoric and increased the possibility of interest rate cuts, rather the Bank's erstwhile 'gradual and limited' rate hike guidance.
- 5.2.5 Globally, tensions between the US and China became progressively more fraught with US President Donald Trump threatening to more than double tariffs on some Chinese goods. There were also moves in both the US and UK to block or restrict access to markets by Chinese telecoms giant Huawei. Amid low inflation and a weak economy in the Eurozone Mario Draghi signalled in late June that another round of stimulus (QE) may be likely. The US and EU have also carved the path for interest rates to be cut in the future.
- 5.2.6 Financial markets: 2018 was a year to forget in terms of performance of riskier asset classes, most notably equities. However, since the beginning of 2019 markets have rallied, and the FTSE 100 is up over 10% in pure price terms for the first 6 months of the calendar year. Nearly all of these gains were realised in the last quarter of FY 2018/19, as Q1 2019/20 has only seen a modest increase of around 2%. Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. Gilt yields fell - the 5-year benchmark gilt yield falling to 0.63% at the end of June from 0.75% at the start of April. There were falls in the 10-year and 20-year gilts over the same period dropping from 1.00% to 0.83% and from 1.47% to 1.35% respectively. Money markets rates stabilised with 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.60%, 0.68% and 0.92% respectively over the period. Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. The US yield curve inverted (10-year Treasury yields were lower than US 3-month money market rates) in March 2019 and this relationship remained and broadened throughout the period. History has shown that a recession hasn't been far behind a yield curve inversion. Germany sold 10-year Bunds at -0.24% in June, the lowest yield on record. Bund yields had been trading at record lows in the secondary market for some time, however the negative yield in the primary market suggests that if investors were to hold until maturity, they are



guaranteed to sustain a loss - highlighting the uncertain outlook for Europe's economy.

5.2.7 Credit background: Credit Default Swap (CDS) spreads fell slightly across the board during the quarter, continuing to remain low in historical terms. After hitting around 97bps at the start of the period, the spread on non-ring-fenced bank NatWest Markets plc fell back to around 82bps at the end of June, while for the ring-fenced entity, National Westminster Bank plc, the spread fell from 67bps to 58bps. The other main UK banks, as yet not separated into ring-fenced and non-ring-fenced from a CDS perspective, traded between 28 and 59bps at the end of the period. S&P upgraded RBS Group and its subsidiaries, including National Westminster Bank PLC, Nat West Markets PLC, The Royal Bank of Scotland and Ulster Bank Ltd. S&P raised the long-term issuer ratings by one notch due to RBS Group's strengthened credit fundamentals following a long period of restructuring. S&P believes the group and its subsidiaries have enhanced their capacity to manage the current UK political and economic uncertainties. There were minimal other credit rating changes during the period. Moody's revised the outlook on Barclays Bank PLC to positive from stable to reflect the bank's progress in its restructuring plans, including de-risking the balance sheet, improving its risk profile and profitability and resolving litigation issues in the US. Moody's also revised the outlook to stable from negative for Goldman Sachs International Bank, reflecting a slowdown in loan growth as well as a stronger revenue growth for sales and trading.

## 5.3 Debt Management

	Balance on 01/04/2018 £'000	Maturing Debt £'000	Transfers £'000	New Borrowing £'000	Balance on 31/03/2019 £'000	Increase/ (Decrease) in Borrowing £'000
CFR	434,564				552,936	
Short Term Borrowing <sup>1</sup>	152,000	(338,500)	5,083	394,500	213,083	61,083
Long Term Borrowing	170,341	(1,042)	(5,083)	140,000	304,216	133,875
<b>TOTAL BORROWING</b>	322,341				517,299	194,958
Other Long Term Liabilities	43,967	(2,246)			41,721	(2,246)
<b>TOTAL EXTERNAL DEBT</b>	366,308				559,020	192,712
Average Rate % / Life (yrs)	3.32% / 16.64yrs				2.06% / 13.59yrs	

5.3.1 The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31/03/2019 was £552.936 million.

5.3.2 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.

5.3.3 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.

5.3.4 At 1st April 2018 the Authority held £237.371 million of loans, as part of its strategy for funding previous years' capital programmes.

5.3.5 In July 2018, the council undertook £50m of long term PWLB borrowing in two tranches of £25m for twenty and thirty years and rates of 2.12% and 2.36% respectively. The loans were taken out on an Equal Instalment of Principal (EIP) basis meaning that the principal amount is amortised over the life of the loan. The purpose of the borrowing was the replacement of short-term borrowing held with other local authorities to mitigate against the risk of potential interest rate rises. However there was no cost of carry as the application for new PWLB borrowing coincided with the purchase of the new Council Headquarters on 24<sup>th</sup> July 2018.

5.3.6 With short-term interest rates having remained much lower than long-term rates, it was more cost effective to borrow short term to fund capital expenditure. Short term borrowing will continue to be the most cost effective means of funding £118.372m of capital expenditure. However, the Council acknowledges that this position will not be sustainable over the medium term and the Authority expects it will need to borrow £107.977m for capital purposes by the end of 2019-20. Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Authority's treasury advisor. While short term borrowing is

<sup>1</sup> Loans with maturities less than 1 year.

currently cheaper there is a risk that the council could be exposed to future interest rate rises. While interest rates are not expected to rise in the short term the council has converted some of its temporary borrowing into longer term PWLB borrowing in order to reduce its exposure to this interest rate risk. Most of the longer term borrowing has been on an Equal Instalment of Principle basis whereby a repayment of the principle sum is made every six months alongside an interest payment. The table below shows that a total of £178m longer term PWLB borrowing has been taken out since the start of the 2018-19 financial year- £140m in 2018-19 and £38m thus far in 2019-20. The council will continue to explore new opportunities to take out new longer term borrowing in order to reduce its exposure to interest rate rises in the future.

Loan Ref	Start Date	Maturity Date	Length of Loan Years	Principle	Interest Rate	Type	Principle Outstanding	Financial Year
507555	24/07/2018	26/07/2038	20	25,000,000	2.12	EIP	23,750,000	2018-19
507556	24/07/2018	24/07/2048	30	25,000,000	2.36	EIP	24,166,667	2018-19
507959	30/10/2018	30/10/2068	50	20,000,000	2.59	Maturity	20,000,000	2018-19
508164	11/12/2018	13/12/2038	20	20,000,000	2.08	EIP	19,500,000	2018-19
508766	14/03/2019	14/03/2044	25	50,000,000	2.22	EIP	50,000,000	2018-19
509380	21/06/2019	21/06/2039	20	25,000,000	1.69	EIP	25,000,000	2019-20
509540	25/07/2019	25/07/2034	15	13,000,000	1.4	EIP	13,000,000	2019-20
				<b>178,000,000</b>				

5.3.7 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. This is because 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.

5.3.8 The council currently has £194.5m short term borrowing and the table below summarises the current position.

Start Date	End date	No. of Days	Loan Amount	Interest Rate %
18/03/2019	16/03/2020	364	2,000,000	1.15
23/05/2019	23/08/2019	92	2,000,000	0.78
29/03/2019	30/09/2019	185	5,000,000	1.05
31/05/2019	29/05/2020	364	2,000,000	1
26/03/2019	24/03/2020	364	5,000,000	1.15
15/04/2019	15/10/2019	183	5,000,000	1
11/03/2019	11/09/2019	184	5,000,000	1.05
20/03/2019	20/09/2019	184	5,000,000	1.07
08/04/2019	31/10/2019	206	5,000,000	1.02
01/02/2019	01/11/2019	273	5,000,000	1
06/02/2019	06/11/2019	273	5,000,000	1.02
19/02/2019	19/08/2019	181	5,000,000	1
03/04/2019	01/04/2020	364	5,000,000	1.1
07/08/2019	10/09/2019	34	5,000,000	0.65
13/02/2019	22/01/2020	343	5,000,000	1.08
14/03/2019	20/02/2020	343	5,000,000	1.1
19/06/2019	19/03/2020	274	5,000,000	0.85
30/04/2019	28/04/2020	364	5,000,000	1.1
23/05/2019	21/05/2020	364	2,000,000	0.99

Start Date	End date	No. of Days	Loan Amount	Interest Rate %
12/04/2019	14/10/2019	185	5,000,000	1.05
28/05/2019	28/11/2019	184	5,000,000	0.85
28/06/2019	26/06/2020	364	2,000,000	0.9
19/02/2019	19/11/2019	273	3,000,000	1
05/03/2019	05/12/2019	275	2,000,000	1.1
28/02/2019	30/08/2019	183	2,500,000	0.98
29/03/2019	29/01/2020	306	2,000,000	1
30/07/2019	30/04/2020	275	7,000,000	0.85
07/12/2018	06/12/2019	364	5,000,000	1
07/03/2019	19/12/2019	287	5,000,000	1
25/02/2019	20/08/2019	176	3,000,000	0.98
14/08/2019	12/08/2020	364	5,000,000	0.83
31/05/2019	29/05/2020	364	3,000,000	1
14/03/2019	13/03/2020	365	5,000,000	1.12
11/03/2019	11/09/2019	184	5,000,000	1.05
18/03/2019	16/03/2020	364	2,000,000	1.15
01/03/2019	02/12/2019	276	5,000,000	1.1
25/02/2019	27/08/2019	183	2,000,000	0.98
31/05/2019	29/11/2019	182	5,000,000	0.8
28/06/2019	26/06/2020	364	2,000,000	0.9
30/11/2018	29/11/2019	364	5,000,000	1.05
15/08/2019	14/02/2020	183	3,000,000	0.75
25/02/2019	02/01/2020	311	5,000,000	1.05
28/05/2019	28/04/2020	336	5,000,000	1
21/01/2019	21/01/2020	365	4,000,000	1.1
01/02/2019	31/01/2020	364	5,000,000	1
22/05/2019	22/11/2019	184	4,000,000	0.8
17/06/2019	15/06/2020	364	5,000,000	0.98
			<b>194,500,000</b>	

### 5.3.9 PWLB Borrowing

#### *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 01/11/2018. The application for the certainty rate needs to be submitted to CLG by 30<sup>th</sup> September to access this reduced rate for a further 12month period from 1<sup>st</sup> November 2019 should it be required.

#### *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.

5.3.10 A year after their commencement, the £125.8m of loans borrowed on 28<sup>th</sup> 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.

#### 5.3.11 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 2018-19 none of which were exercised by the lender. 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. Barclays Bank have foregone the right to increase interest rates in the future so this is now treated as a long term, fixed rate market loan.

#### 5.4 Investment Activity

5.4.1 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.

#### Investment activity 2018-19

Investments	Balance on 01/04/2018 £'000	Investments Made/Transferred £'000	Maturities/ Investments Sold/Transferred £'000	Balance on 31/03/2019 £'000	Average Rate % and Average Life (years)
Short Term Investments	17,200	49,000	(18,054)	48,146	
Long Term Investments	21,774	26,700		48,474	
Cash Equivalents	4,750	435,885	(423,385)	17,250	
<b>TOTAL INVESTMENTS</b>	<b>43,724</b>			<b>113,870</b>	<b>3.37%/3.69 years</b>

The £113.87m balance on 31<sup>st</sup> March 2019 is broken down further below:

Type of Investments	Principle Sum Outstanding £m	Valuation £m
Money Market Funds	17.25	17.25
Pooled Property Fund	10	11.17
Other Pooled Funds	8.5	8.465
Local Authorities	44	44
Municipal Bonds Agency	0.05	0.05
Slough Urban Regeneration Loan Note	4.146	4.137
James Elliman Homes	29.924	23.668
	<b>113.87</b>	<b>108.74</b>

5.4.2 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 2018/19 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.

5.4.3 The Council's budgeted investment income for 2018-19 was estimated at £2.896m (£2.258m 2017-18) and it achieved £2.754m (£2.172m in 2017-18). The average cash balances were £66.599m during 2018-19. Also income of £0.223m was realised by making an upfront payment to the pension scheme.

#### 5.4.3 Externally Managed Funds:

The council has invested a total of £10m into a Property Fund 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, was 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 2018-19 the CCLA fund, generated £483,799 a return of 4.84%, which has thus far proved the highest returning of our investments. Also the £11.170m valuation as at 31<sup>st</sup> March 2019 is considerably higher than the £10m Principal Sum invested.

5.4.4 On 25th July 2018, the council invested £1m in the CCLA Diversified Income Fund, and a further £2.5m on 17<sup>th</sup> October 2018. This is another pooled fund administered by CCLA Investment Management and recommended by the council's Treasury advisors, Arlingclose. The Fund is suitable for long term investors seeking a balanced return of income and capital growth for whom control of relative risk is important. It is projected to generate income for the council at a yield of over 3%.

5.4.5 The council also has £5m invested in the Columbia Threadneedle Strategic Bond Fund. It is a Strategic Bond Fund which invests in a mix of Investment Grade Corporate Bond, High Yield and Emerging Market Bonds. The fund produced dividends of £153,053 during 2018-19 a return of 3.06% which is the second best performing of all our investments. At the end of March 2019, the fund had depreciated slightly by 1.18% with a valuation of £4.941m since the council first invested in the fund in October 2015. However the valuation at the end of July 2019 was £5.051m meaning that the fund has appreciated in value by just under £51,000.

All three 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

#### 5.4.6 Short Term Local Authority Investments

In March 2019, the council borrowed a £50m EIP loan from PWLB at 2.22%. As the council could not repay temporary loans from other Local Authorities until the loans reach maturity, the proceeds have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. At the end of March 2019, the council had £44m in short term investments with other local authorities for periods of between 1-3 months. This has now reduced to £10m as at the end of July 2019.

#### 5.4.7 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 2017/18 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. At the beginning of 2017-18 the council had two Floating Rate Note Covered Bonds with the Leeds 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. Both 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. The Abbey Treasury Services Floating Rate Note Bond matured in April 2017 and the Leeds Building Society Floating Rate Note Bond matured in February 2018. However as the council's cash balances have diminished there is less scope to use the custodian account and the council now has no investments in alternative investment instruments.

#### 5.4.8 Investment Activity in 2019/20

<b>Investments</b>	Balance on 01/04/2018 £'000	Investments Made	Maturities/ Investments Sold £'000	Balance on 31/08/2019 £'000	Avg Rate % and Avg Life (yrs)
Short Term Investments	48,146	20,000	(58,146)	10,000	
Long Term Investments	48,474	5,950		54,424	
Cash Equivalents	17,250	175,820	(187,820)	5,250	
<b>TOTAL INVESTMENTS</b>	113,870			69,674	3.53%/6.48 years

The £69.674m is broken down further below:

<b>Type of Investments</b>	<b>£m</b>
Money Market Funds	5.25
Pooled Property Fund	10.0
Other Pooled Funds	5.0
Diversified Income Fund	3.5
James Elliman Homes	35.874
Local Authority	10.0
Municipal Bonds Agency	0.05
Slough Urban Regeneration Loan Note	0
	<b>69.674</b>

#### 5.4.9 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.

#### 5.4.10 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

	<b>Current Limit</b>
Total long-term investments	£40m
Total investments without credit ratings or rated below A-	£25m
Total investments with institutions domiciled in foreign countries rated below AA+	£10m
<b>Total non-specified investments</b>	<b>£75m</b>



#### 5.4.11 Budgeted Income and Outturn

The average cash balances have been £90.016m so far in 2019-20. The UK Bank Rate has been maintained at 0.75% since 2<sup>nd</sup> August 2018. Short-term money market rates have remained at low levels (see Table 1 in Appendix 2).

The Authority's budgeted investment income for the year is estimated at £2.483m. The following table shows the current projection for both interest payable and receivable in 2019-20.

<b>Interest Receivable Projection</b>	<b>2019-20</b>
Columbia Threadneedle Strategic Bond Fund Threadneedle	(141)
CCLA Property Fund	(479)
HRA Internal Loan	(283)
Wexham Nursery loan Note	(78)
James Elliman Homes	(1,109)
Money Market Funds	(121)
Upfront Payment Pension Scheme	(216)
CCLA Diversified Income	(131)
Temporary Investments	(88)
Interest on Bank Accounts	(30)
	<b>(2,676)</b>
<b>Interest Payable Projection</b>	<b>2019-20</b>
PWLB Loans	8,953
Market Loans	540
Temporary Loans	1,818
	<b>11,311</b>

#### 5.4.12 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
31/03/2019	3.79	AA-	3.75	AA-
30/06/2019	4.14	AA-	3.85	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

## 5.5 Non-Treasury Investments

5.5.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in Ministry of Housing, Communities and Local Government's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

5.5.2 As at 31<sup>st</sup> March 2019, the Council held £107.76m of such investments in

- directly owned property £73.693m
- shareholding in James Elliman Homes £11.969m
- loans to James Elliman Homes £17.955m
- Wexham Nursery Loan Note £4.146m

A full list of the Authority's non-treasury investments is shown in Appendix 4.

These investments generated £4.25m of investment income for the Authority after taking account of direct costs, representing a rate of return of 5.68%.

5.5.3 During 2019-20, the council has purchased the following properties for investment purposes in order to continue the council's policy of purchasing income generating assets to support the revenue budget.

Property	Capital Expenditure	Annual Rent Due	% Return on Investment	Type
Odeon, Churchill Way, Basingstoke	8,473,686.10	611,245.00	7.21%	Retail
Acquasulis House, 12-14 Bath Road	7,676,350.02	443,867.00	5.78%	Office
Freehold interest of 21, Roydsdale Way, Euroway Industrial Estate, Bradford, West Yorkshire	12,899,916.28	774,304.00	6.00%	Distribution
Purchase 233-249 High Street	4,061,322.64	259,608.00	6.39%	Retail
	<b>33,111,275.04</b>	<b>2,089,024.00</b>	<b>6.31%</b>	

5.5.4 A further £5.95m in capital loans has been made to James Elliman Homes during 2019-20 and the principle for the Wexham Nursery Loan Note was fully repaid on 8<sup>th</sup> July 2019. All non-Treasury investments made for the purpose of generating income yield at least 5% which compares favourably to the best performing Treasury Investment the CCLA Property Fund which generated 4.84% income in 2018-19.

## 5.6 Compliance with Prudential Indicators

5.6.1 The Authority confirms compliance with its Prudential Indicators for 2019/20, which was set in February 2019 as part of the Authority's Capital Strategy Statement.

## 5.7 Outlook for Remainder of 2019-20

5.7.1 Having increased interest rates by 0.25% in November 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) is now expected to maintain Bank

Rate at this level for the foreseeable future. There are, however, upside and downside risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy.

The resignation of Theresa May has added further political uncertainty. Boris Johnson appears to be the frontrunner to become Prime Minister and also appears to favour exiting the EU on 31st October. It is unlikely the UK will be able to negotiate a different withdrawal deal before the deadline.

With the downside risks to the UK economy growing and little likelihood of current global trade tensions being resolved imminently and global growth recovering soon thereafter, our treasury advisor Arlingclose's central forecast is for that the Bank of England's MPC will maintain Bank Rate at 0.75% but will stand ready to cut rates should the Brexit process engender more uncertainty for business and consumer confidence and for economic activity.

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

Gilt yields have fallen to recent lows. Resolution of global political uncertainty would see yields rise but volatility arising from both economic and political events continue to offer longer-term borrowing opportunities for those clients looking to lock in some interest rate certainty.

## 6 **Comments of Other Committees**

None.

## 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 2018/19 and the first quarter of 2019/20. 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
- 4- Non-Treasury 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 2019/20 to 2022/23 are shown in the table below:

	31/03/2019 Actual £'000	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000	31/03/2022 Estimate £'000
Gross CFR	552,936	621,590	650,400	671,623
Less: Other Long Term Liabilities	(41,727)	(40,740)	(37,104)	(35,163)
<b>Borrowing CFR</b>	<b>511,209</b>	<b>580,850</b>	<b>611,296</b>	<b>636,460</b>
Less: Existing Profile of Borrowing	(517,299)	(580,258)	(610,123)	(631,200)
<b>Internal (Over) Borrowing</b>	<b>(6,090)</b>	<b>592</b>	<b>1,173</b>	<b>5,260</b>
Usable Reserves	<b>(81,228)</b>	<b>(83,522)</b>	<b>(85,823)</b>	<b>(88,368)</b>
<b>Net Borrowing Requirement/(Investment Capacity)</b>	<b>(75,138)</b>	<b>(82,930)</b>	<b>(84,650)</b>	<b>(83,108)</b>

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.

	31/03/2019 Actual £'000	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000	31/03/2022 Estimate £'000
CFR	552,936	621,590	650,400	671,623
Gross Debt	559,026	599,026	629,053	651,304
<b>Difference</b>	<b>(6,090)</b>	<b>22,564</b>	<b>21,347</b>	<b>20,319</b>
<b>Borrowed in excess of CFR? (Yes/No)</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

Except in the short term, external debt (i.e. borrowing for any purpose and other long-term liabilities) should not exceed the CFR. Borrowing in excess of CFR as at 31<sup>st</sup> March 2019 was a short term issue on the basis that the council, on the advice of it's Treasury Advisors, took out additional £50m PWLB borrowing on 14<sup>th</sup> March 2019. This was done for the purpose of reducing the value of the council's short term borrowing and therefore reducing the overall amount of interest rate risk the council is exposed to. However the council needed to wait until the temporary loans matured before it could repay this short term borrowing.

## Usable Reserves

Estimates of the Authority's level of Usable Reserves for 2019/20 to 2021/22 are as follows:

	31/03/2019 Actual £'000	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000	31/03/2022 Estimate £'000
Usable Reserves	<b>(81,228)</b>	<b>(83,522)</b>	<b>(85,823)</b>	<b>(88,368)</b>

## 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 2018-19 was £182m.

	Authorised Limit (Approved) as at 31/03/2019 £000s	Operational Boundary (Approved) as at 31/03/2019 £000s	Actual External Debt as at 31/03/2019 £000s
Borrowing	528	538	517
Other Long-term Liabilities	41	41	41
<b>Total</b>	<b>569</b>	<b>579</b>	<b>558</b>

### (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 2019/20 £	Maximum during Q1 2019/20 £/%
<b>Upper Limit for Fixed Rate Exposure</b>	£350m	£314m
Compliance with Limits:	£314m	Yes
<b>Upper Limit for Variable Rate Exposure</b>	£300m	£176m
Compliance with Limits:	£176m	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 23/08/2019 £000s	% Fixed Rate Borrowing as at 23/08/2019	Compliance with Set Limits?
under 12 months	75	0	202,570	36.13%	Yes
12 months and within 24 months	50	0	8,939	1.59%	Yes
24 months and within 5 years	50	0	40,817	7.28%	Yes
5 years and within 10 years	75	0	69,363	12.37%	Yes
10 years and within 15 years	95	0	64,978	11.59%	Yes
15 years and within 20 years	95	0	62,917	11.22%	Yes
20 years and within 25 years	95	0	74,341	13.26%	Yes
25 years and above	95	0	36,750	6.56%	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 date<sup>2</sup>)*

### (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	2018/19 Approved £000s	31/7/2019 Actual £000s	31/03/2020 Estimate £000s	31/03/21 Estimate £000s
	<b>45,000</b>	<b>18,500</b>	<b>18,500</b>	<b>18,500</b>

<sup>2</sup> 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
01/4/2019	0.75	0.5509	0.5684	0.6044	0.7159	0.8284	0.9310	0.97	1.01	1.10
30/4/2019	0.75	0.5550	0.5743	0.6074	0.6919	0.8169	0.9713	1.04	1.11	1.19
31/5/2019	0.75	0.5590	0.5758	0.6014	0.6709	0.7471	0.8701	0.87	0.90	0.95
30/6/2019	0.75	0.5478	0.5614	0.5968	0.6488	0.7261	0.8295	0.83	0.85	0.90
<b>Average</b>	0.75	0.5532	0.5700	0.6025	0.6819	0.7796	0.9005	0.93	0.97	1.04
<b>Maximum</b>	0.75	0.5590	0.5758	0.6074	0.7159	0.8284	0.9713	1.04	1.11	1.19
<b>Minimum</b>	0.75	0.5478	0.5614	0.5968	0.6488	0.7261	0.8295	0.83	0.85	0.90
<b>Spread</b>	--	0.0112	0.0144	0.0106	0.0671	0.1023	0.1418	0.21	0.26	0.29

**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
01/04/2019	249/19	1.63	1.61	1.88	2.43	2.49	2.40	2.36
30/04/2019	208/19	1.62	1.61	1.91	2.44	2.49	2.40	2.37
31/05/2019	167/19	1.75	1.88	2.22	2.69	2.71	2.61	2.58
28/06/2019	129/19	1.66	1.72	2.04	2.56	2.58	2.46	2.44
	<b>Low</b>	1.62	1.61	1.88	2.43	2.49	2.40	2.36
	<b>Average</b>	1.67	1.71	2.01	2.53	2.57	2.47	2.44
	<b>High</b>	1.75	1.88	2.22	2.69	2.71	2.61	2.58

**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
01/04/2019	334/19	1.34	1.28	1.45	1.78	1.99	2.07
30/04/2019	249/19	1.59	1.61	1.89	2.23	2.43	2.50
31/05/2019	209/19	1.57	1.61	1.92	2.24	2.43	2.50
28/06/2019	167/19	1.78	1.90	2.24	2.54	2.70	2.74
	<b>Low</b>	1.34	1.28	1.45	1.78	1.99	2.07
	<b>Average</b>	1.57	1.60	1.88	2.20	2.39	2.45
	<b>High</b>	1.78	1.90	2.24	2.54	2.70	2.74

**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
01/04/2019	0.8900	0.9100	0.9200	1.7900	1.8100	1.8200
30/04/2019	0.9100	0.9100	0.9200	1.8100	1.8100	1.8200
31/05/2019	0.8900	0.9100	0.9600	1.7900	1.8100	1.8600
28/06/2019	0.9100	0.9100	0.9100	1.8100	1.8100	1.8100
<b>Low</b>	0.89	0.91	0.91	1.79	1.81	1.81
<b>Average</b>	0.90	0.91	0.93	1.80	1.81	1.83
<b>High</b>	0.91	0.91	0.96	1.81	1.81	1.86



**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

<b>Credit Rating</b>	<b>Banks Unsecured</b>	<b>Banks Secured</b>	<b>Government</b>	<b>Corporates</b>	<b>Registered Providers</b>
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
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

## NON-TREASURY INVESTMENTS

<b>James Elliman Homes</b>						
<b>Principal</b>	<b>60% of Principal</b>	<b>Start</b>	<b>End</b>	<b>Interest Rate %</b>	<b>No.of Days</b>	<b>Interest Due</b>
2,223,610.00	1,334,166.00	01-Apr	01-Apr	5	365	66,708.30
2,000,000.00	1,200,000.00	01-Apr	01-Apr	5	365	60,000.00
2,500,000.00	1,500,000.00	01-Apr	01-Apr	5	365	75,000.00
3,200,000.00	1,920,000.00	17-Apr	01-Apr	5	349	91,791.78
3,000,000.00	1,800,000.00	20-Jul	01-Apr	5	255	62,876.71
5,000,000.00	3,000,000.00	09-Aug	01-Apr	5	235	96,575.34
5,000,000.00	3,000,000.00	28-Sep	01-Apr	5	185	76,027.40
2,000,000.00	1,200,000.00	19-Dec	01-Apr	5	103	16,931.51
1,500,000.00	900,000.00	31-Jan	01-Apr	5	60	7,397.26
1,500,000.00	900,000.00	15-Mar	01-Apr	5	17	2,095.89
2,000,000.00	1,200,000.00	15-Mar	01-Apr	5	17	2,794.52
<b>29,923,610.00</b>	<b>17,954,166.00</b>					<b>558,198.71</b>
<b>Wexham Nursery Loan Note</b>						
<b>Principal</b>		<b>Start</b>	<b>End</b>	<b>Interest Rate %</b>	<b>No.of Days</b>	<b>Interest Due</b>
9,700,000.00		01/04/2018	21/12/2018	7.015	264	492,164.71
7,880,245.00		21/12/2018	18/01/2019	7.015	28	42,406.51
6,422,704.00		18/01/2019	15/03/2019	7.015	56	69,125.89
4,145,793.00		20/03/2019	01/04/2019	7.015	12	9,561.45
						<b>613,258.56</b>

<b>Strategic Property Acquisitions</b>					
<b>Property</b>	<b>Capital Expenditure</b>	<b>Annual Rent Due</b>	<b>2018-19</b>	<b>% Return on Investment</b>	<b>Type</b>
Leasehold interest of the 5th Floor, Hatfield Car Park	228,042.00	20,000.00	12,000.00	8.77%	Strategic
100A Wexham Road	807,201.45				Strategic
Purchase of Cornwall House	1,727,902.65	62,250.00	46,848.00	3.60%	Office
Land South Side Stoke Road (Stoke Wharf)	2,116,944.07				Strategic
Leaseplan 165 Bath Road	19,807,613.04	1,100,000.00	1,140,000.00	5.55%	Office
Land at Norway Drive	235,000.00				Strategic
Halfords 380 Bath Road	4,288,918.25	281,775.00	281,775.00	6.57%	Warehouse-retail
5 Hillersdon	368,000.00				Strategic
174-178 High Street (WH Smith)	5,310,540.96	310,000.00	238,600.00	5.84%	Retail
202-206 High Street (BHS)	2,932,546.76				Retail
Waitrose Gosport - Stoke Road	3,717,512.07	220,000.00	219,999.96	5.92%	Retail
Wickes West Street Wolverhampton	7,077,765.32	482,640.00	482,640.00	6.82%	Warehouse-retail
Gala Bingo, 3 Bath Road	4,291,617.53	40,000.00	20,000.00	0.93%	Strategic
Lego, 33 Bath Road	13,809,326.02	1,153,230.00	547,679.97	8.35%	Office
Upton Lodge 2A Yew Tree Road	6,361,391.90	347,000.00	86,800.00	5.45%	Office
Unit 26 Wexham Business Village	612,519.16	10,000.00		1.63%	Office
	<b>73,692,841.18</b>	<b>4,026,895.00</b>	<b>3,076,342.93</b>	<b>5.69%</b>	
202-206 High Street the old BHS building was sold on 29th March 2018. Total Capital Receipt generated was £3.8m					

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 14<sup>th</sup> October 2019

**CONTACT OFFICER:** Barry Stratfull, Service Lead Finance  
**(For all enquiries)** (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Cllr Swindlehurst, Leader of the Council

**PART I**  
**KEY DECISION****COMMUNITY INVESTMENT FUND 2019/20 UPDATE****1 Purpose of the Report**

The purpose of this report is to provide an update to Cabinet regarding the 2019/20 Community Investment Fund

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

Cabinet is requested to resolve:

- a) the expenditure to date from the Community Investment Fund 2019/20 be noted;
- b) due to the current financial situation within the Slough Children's Services Trust (SCST) that any unspent revenue funding within the Community Investment Fund 2019/20 is paused until further notice; and
- c) any proposals for minor capital schemes within the Cabinet's remaining capital funding allocation of the 2019/20 Community Investment Fund.

**3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan****3.1. Slough Joint Wellbeing Strategy Priorities**

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

### 3.2 **Five Year Plan Outcomes**

The Community Investment Fund allocations are intended to be used by Members to make small financial contributions within their Wards that support any, or all, of the Five Year Plan outcomes.

- Our children and young people will have the best start in life and opportunities to give them positive lives
- Our people will become healthier and will manage their own health, care and support needs
- Slough will be an attractive place where people choose to live, work and visit
- Our residents will have access to good quality homes
- Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents

### 4 **Other Implications**

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

This report proposes pausing any further revenue funding initiatives from the Community Investment Fund 2019/20. £210k of revenue growth was agreed at full Council in February 2019 to provide for the scheme. To date, £53k revenue has been spent. Pausing this element of the scheme will make £157k available to offset against any future overspend.

In February 2019, full Council agreed a capital budget of £1.050m for the Community Investment Fund for 2019/20. In order to pay for the capital programme the Council needs to either sell capital assets, utilise Section 106 receipts or borrow funding. The revenue implications of setting the 2019/20 capital programme were taken into account and addressed in the revenue budget report 2019/20. The Public Works Loan Board (PWL) borrowing rates are currently close to 1%. Therefore, for every £100k of capital expenditure there is an associated £1k revenue cost to the Council.

#### (b) **Risk Management**

<b>Recommendation from section 2 above</b>	<b>Risks/Threats/ Opportunities</b>	<b>Current Controls</b>	<b>Using the Risk Management Matrix Score the risk</b>	<b>Future Controls</b>
The Cabinet is requested to resolve: that the progress made to	Need to check that applications meet the requirements of the fund, are affordable, do	All applications are fully assessed against Council	9	N/A

date on the Community Investment Fund projects be noted; that the revenue element of the 19/20 scheme be paused; and to make any proposals for minor capital schemes.	not operate contrary to Council policy and that they will not afford any pecuniary advantage to the applicant.	policies and costed by officers. The final application is signed off by the Section 151 Officer.		
---	--	--	--	--

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery – capital programme delivered under the 80% mark	Monthly review at Capital Operational Board and quarterly by Lead Members and Directors	Ability to increase the deliver of capital schemes
Project Capacity	None	None
Other	None	None

(c) Human Rights Act and Other Legal Implications

No specific legal implications arise from this report.

(d) Equalities Impact Assessment

Equalities Impact Assessments will be conducted, as required, for individual projects contained within the Community Investment Fund.

## 5 **Supporting Information**

### 5.1 **Background**

5.1.1 The Capital Programme report, agreed at full Council on 22 February 2019, set out the mechanism of the Community Investment Fund for 2019/20. A capital budget of £1.050m was agreed.

5.1.2 A budget of £210k was also agreed, at Full Council, as growth in General Fund for the revenue elements of the CIF for 2019/20 and thereafter.

5.1.3 Under the scheme, for 2019/20, each elected Councillor has up to £20,000 capital funding and £5,000 revenue funding available to spend on community projects within their Wards; and Cabinet have up to £210,000 of capital funding to further the outcomes in the Five-Year Plan. Cabinet can also utilise any unused revenue funding, remaining in the scheme, at year-end.

5.1.4 Allocations are provided to individual councillors but two or more Councillors can pool resources in order to fund a larger project.

5.1.5 Below are some example indicative costs of initiatives funded under the scheme:

- Speed cushions – £2,400 each (additional for Traffic management approx. £300 per unit)
- Slough Bollards – £400 each
- Signs without post – £120-£450 each depending on sign
- Sign pole only – £190-£320 each depending on size and length of pole
- Low level street nameplate – £195 each
- Road Markings – £750 minimum charge (all day booking), lettering, lines, etc. additional on top.

5.1.6 When Councillors submit bids for approval, officers check they meet the fund's requirements, are affordable and comply with the Council's policies, and legal requirements and that they do not afford any pecuniary advantage to the applicant.

5.1.7 At Cabinet, in April 2019, Cabinet agreed to allocate a proportion of its 2019/20 capital allocation towards:

- £100k to replace signs in parks and public spaces; and
- Up to £15k for St Mary's Church War Memorial restoration/improvements

5.1.8 Subsequent to the above decision being taken officers have established that the contribution towards the St Mary's Church War Memorial was no longer required. Cabinet therefore have £110k of Capital Funding for allocation during the remainder of 2019/20.

## **5.2 Current Position**

- 5.2.1 The table below summarises the amount spent to date, as at 30 September 2019, and the budget remaining on a ward by ward basis. A more detailed analysis is shown in Appendix A.
- 5.2.2 The 2019/20 budgets for individual wards have been revised to reflect carry-forwards from the previous financial year where schemes were correctly identified and requested by Members in-year but the schemes were not concluded by the end of the financial year.
- 5.2.3 It can be seen, in the table below, that currently £634k of capital funding and £157k of revenue funding remains unallocated. The Community Investment Fund runs from 1 May to 31 March each year. It is for individual ward members to make applications for funding from the scheme during the course of the financial year. Not all councillors have utilised their full amount available to date and future proposals are expected.
- 5.2.4 Cabinet will recall that the recent Q1 revenue monitoring report, presented in September 2019, noted Slough Children's Services Trust (SCST) had recently highlighted that it was forecasting significant pressures on its revenue budget. The Q1 revenue monitoring report also considered the possible impact of these SCST pressures on the Council's revenue budget. It is therefore recommended that, until the Council has a clearer picture of the SCST's overall financial position, Cabinet prudently pauses the use of revenue funding under the 2019/20 Community Investment Fund, with immediate effect, to provide the availability of some revenue resources should they be required in future.

<b>Community Investment Fund 2019/20 Schemes</b>				
<b>Ward</b>	<b>19/20 Revised Capital Budget</b>	<b>Remaining Budget - Capital</b>	<b>19/20 Budget Revenue</b>	<b>Remaining Budget - Revenue</b>
Baylis & Stoke	70,635.98	5,192.79	15,000.00	0.00
Britwell & Northborough	112,880.56	19,920.59	15,000.00	14,586.72
Central	118,797.42	55,151.64	15,000.00	14,586.72
Chalvey	121,000.00	58,765.20	15,000.00	737.70
Cippenham Meadows	119,771.00	76,138.60	15,000.00	19,086.67
Cippenham Green	16,543.47	16,543.47	15,000.00	14,586.72
Colnbrook with Poyle	87,754.25	33,744.91	10,000.00	9,586.72
Elliman	119,114.67	59,575.54	15,000.00	15,506.72
Farnham	166,669.13	0.00	15,000.00	0.00
Foxborough	31,614.20	379.36	5,000.00	0.00
Haymill & Lynch Hill	100,957.58	58,765.20	15,000.00	14,586.72
Langley Kedeminster	107,831.79	18,266.86	15,000.00	9,614.73
Langley St Marys	122,679.90	60,702.35	15,000.00	14,586.72
Upton	169,000.00	169,000.00	15,000.00	14,586.72
Wexham	108,380.67	2,033.02	15,000.00	14,586.72
<b>Total</b>	<b>1,573,630.62</b>	<b>634,179.53</b>	<b>210,000.00</b>	<b>156,639.58</b>

## 6 Comments of Other Committees

None

## 7 Conclusion

The Cabinet are requested to note spend to date on the Community Investment Fund 2019/20; agree that any unspent revenue funding within the Community Investment Fund 2019/20 is paused until further notice; and submit proposals for minor capital schemes within the Cabinet's remaining funding allocation.



## **8 Appendices Attached**

'A' - CIF Report September 2019

## **9 Background Papers**

- Community Investment Fund – Cabinet April 2019
- Q1 Revenue Monitoring Report – Cabinet September 2019
- Capital Programme 2019/20 – Full Council February 2019
- Revenue Budget 2019/20 – Full Council February 2019

This page is intentionally left blank

**Community Investment Fund 2019/20 Schemes Progress**

Ward	Ward Councillors	Schemes	Application Date	Design Stage	Start Date	Completion Date	Revenue/Capital	19/20 Revised Capital Budget	19/20 Committed Capital	19/20 Actual-Capital	Remaining Budget -Capital	19/20 Budget - Revenue	19/20 Committed Revenue	19/20 Actual - Revenue	Remaining Budget - Revenue
								£	£	£	£	£	£	£	£
Baylis & Stoke	F Matloob/M Nazir/S Sarfraz	Two lamp posts in Manor Field Car park	29.08.2018				C			1,997					
	F Matloob/M Nazir/S Sarfraz	Outside park gym on Granville Park	29.08.2018		20.09.2018		C			7,800					
	F Matloob/M Nazir/S Sarfraz	Hawthorne Crescent 20mph Zone and Parking bays	09.09.2019				C		40,000						
	Sunya Sarfraz	30-36 Northern Road Parking Bays	14.05.2019		declined										
	F Matloob/M Nazir/S Sarfraz	CCTV cameras Granville Park Entrance	29.08.2018		22.08.2019				14,450						
		Qtr 1 Time Recharge RM									1,196				
		Flower Baskets	09.09.2019				R						15,000		
								<b>70,636</b>	<b>54,450</b>	<b>10,993</b>	<b>5,193</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>0</b>
Britwell & Northborough	P Mann	Traffic Calming on Rokesby Road	05.03.2018				C		26,588						
	P Mann/R Anderson/M Carter	Speed signs-signs advertising speed limit on Northborough Road towards Longsreading	13.02.2019		declined										
	P Mann/R Anderson/M Carter	Speed camera Long Furlong to cover stretch infrot of new houses	13.02.2019		declined										
	P Mann/R Anderson/M Carter	CCTV camera jct of Chatfield and Pevensey	13.02.2019			29.05.2019	C			24,350					
	P Mann/R Anderson/M Carter	Farnham Lane, Green Space-Target Hardening					C		1,942						
	P Mann/R Anderson/M Carter	11 Pemberton Road - Parking Bays	01.08.2018		01.07.2019	29.06.2019	C			38,137					
		DSO 3004567 Lower Britwell Rd/Cocksherd								1,942					
								<b>112,881</b>	<b>28,531</b>	<b>64,429</b>	<b>19,921</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>
Central	S Ali/S Chaudhry/S Hussain	Wexham Road Footbridge Mesh	01.10.2018				C		5,115						
	S Ali/S Chaudhry	Childs playground Petersfield Ave inc. play equip	21.12.2018				C		31,561						
	S Ali/S Chaudhry/S Hussain	Goodman Park garages	13.02.2019			29.04.2019	C			26,816					
	S Ali/S Chaudhry	Traffic Calming measures-Goodman Park	21.12.2.18				C								
		Qtr 1 Time Recharge RM								154					
								<b>118,797</b>	<b>36,676</b>	<b>26,970</b>	<b>55,152</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>
Chalvey	A Sandhu/ M Shariff/K Usmani	Brammas Close children playing area in very poor	29.01.2018				C		19,000						
	A Sandhu/ M Shariff/K Usmani	Church St Vertigal Bar Railings	02.03.2019				C		42,000					13,849	
		Qtr 1 Time Recharge RM								1,235					
								<b>121,000</b>	<b>61,000</b>	<b>1,235</b>	<b>58,765</b>	<b>15,000</b>	<b>0</b>	<b>13,849</b>	<b>1,151</b>
Cippenham Meadows	N Pantelic/D Parmar/S Parmar	30 Trees for Mayors Appeal	20.09.2018											-4,500	
	N Pantelic/D Parmar/S Parmar	Cranbourne Close - Parking Bays	25.02.2019			29.04.2019	C			17,602					
	N Pantelic/D Parmar/S Parmar	Speed camera - Long Furlong	13.02.2019	declined											
		Cranbourne Close - wooden knee rail	22.02.2019	declined											
	N Pantelic/D Parmar/S Parmar	6 parking bays on Cranbourne Close	22.02.2019	declined			C								
		Cleaning the playground in Gervaise Cl	22.02.2019												
		Replacing of wooden posts on Eltham Ave opp 69&7	22.02.2019	declined											
	Qtr 1 Time Recharge RM								25,799						
									232						

Ward	Ward Councillors	Schemes	Application Date	Design Stage	Start Date	Completion Date	Revenue/Capital	19/20 Revised Capital Budget	19/20 Committed Capital	19/20 Actual-Capital	Remaining Budget -Capital	19/20 Budget - Revenue	19/20 Committed - Revenue	19/20 Actual - Revenue	Remaining Budget - Revenue	
								£	£	£	£	£	£	£	£	
								119,771	0	43,632	76,139	15,000	0	-4,500	19,500	
Cippenham Green	R Davis/N Holledge/J Swindlehurst	Parking Bays on verge adj to 38-46 The Greenway	08.10.2018	declined			C									
	R Davis/N Holledge/J Swindlehurst	Plant shrubs service rd Bath Rd	08.10.2018				R									
	R Davis/N Holledge/J Swindlehurst	Top up top soil & reseed grass parking bays at	08.10.2018				R									
	R Davis/N Holledge/J Swindlehurst	Planting Elmshott Lane	08.10.2018				R									
	R Davis/N Holledge	Harrison Way Parking Area	29.04.2019				C									
		1. 59-69 Earls Lane - grass core /extend pavement	4.03.2019													
		2. Moreton Way - Green Bollards/Timber Knee Rails	14.02.2019													
		3. Moreton Way - Parking Bays	30.04.2019													
		Qtr 1 Time Recharge RM									1,543					
	R Davis/N Holledge/J Swindlehurst	Deerwood Park - Green Gym	01.04.2019				C				15,000					
								15,970	0	16,543	-573	15,000	0	0	15,000	
Colnbrook with Poyle	Avtar K Cheema	Bath Road - Verge protection	16.10.2018	declined												
	Avtar K Cheema	Verge protection - Tweed Road	16.10.2018	declined												
	Avtar K Cheema	Mobile CCTV Camera	16.10.2018				C									
	Dexter Smith	4 Car parking spaces in front of the shops	24.02.2019				C		15,000							
	Dexter Smith	CCTV Enhancements and Highways Safety	02.05.2018				C		5,389	1,768						
	Dexter Smith	Zebra Crossing at Bath Road/Rodney Way jct	24.02.2019				C		30,000							
		Qtr 1 Time Recharge RM									926					
		Qtr 1 Time Recharge RM									926					
									87,754	50,389	3,620	33,745	10,000	0	0	10,000
Elliman	Sohail Munawar	33 Trees for the Mayors Tree Planting appeal	01.10.2018				R								-920	
	A Dhaliwal/S Munawar/N Qaseem	Wexham Road Footbridge Mesh	01.10.2018				C		5,115							
	Sohail Munawar	Mayors Tree Planting 2 Benches	12.11.2018				C		2,000							
	Arvind Dhaliwal	Footpath	25.01.2019	declined												
		Stoke Road Regeneration							52,000							
		Qtr 1 Time Recharge RM									424					
								119,115	59,115	424	59,576	15,000	0	-920	15,920	
Farnham	M Rasib	Canterbury Ave footway resurfacing along both sides of the road from Hampshire Ave to Essex Ave	19.02.2018		21.02.2019	29.04.2019	C			36,533						
	M Rasib	Parking bays opposite 122 Northborough Rd	08.08.2018		30.08.2018		C			46,375						
	M Rasib/I Shah	20 trees for the Mayors Tree Planting appeal	30.08.2018				R						3,000	-3,000		
	M Rasib/M Sabah/I Shah	Faraday Park inc. play equip at Northborough Rd	16.10.2018				C		7,000	55,000			10,000			
	I Shah	Faraday Park	25.02.2019				C		0				5,000			
	M Rasib/M Sabah	Faraday Park	25.06.2019				C		14,489							
	M Rasib/M Sabah/I Shah	CCTV Camera Belfast Ave	16.10.2018	declined			C		0							
	M Sabah	Farnham Green Gym							4,726							
		Qtr 1 Time Recharge RM									2,547					
		Qtr 1 Time Recharge RM														
	Qtr 1 Time Recharge RM															
								166,669	26,215	140,454	0	15,000	18,000	-3,000	0	

Ward	Ward Councillors	Schemes	Application Date	Design Stage	Start Date	Completion Date	Revenue/ Capital	19/20 Revised Capital Budget	19/20 Committed Capital	19/20 Actual-Capital	Remaining Budget -Capital	19/20 Budget - Revenue	19/20 Committed Revenue	19/20 Actual - Revenue	Remaining Budget - Revenue
								£	£	£	£	£	£	£	£
Foxborough	Madhuri Bedi	Cheviot Road 20mph Zone	09.08.2018		20.09.2018				29,614						
		Qtr 1 Time Recharge RM								1,621					
								31,614	29,614	1,621	379	5,000	5,000	0	0
Haymill & Lynch Hill	P Kelly/W Strutton/A Wright	Lynch Hill Lane Parking Bays	29.09.2017			30.04.2018	C		11,000						
	P Kelly/W Strutton/A Wright	Access road opp 74 Lynch Hill Lane-Rd creation	19.09.2017				C		29,958						
	P Kelly/W Strutton/A Wright	Parking bays Outside 168-190	19.03.2018				C								
		Qtr 1 Time Recharge RM									1,235				
									100,958	40,958	1,235	58,765	15,000	0	0
Langley Kedeminster	P Booker/M Holledge/M Rana	Trelawney Bollards & Ryvers Road Bollards	15.02.2018			30.06.2018	C		4,000						
	P Booker/M Holledge/M Rana	More parking spaces for Romsey Close	28.12.2017				C		29,232						
	P Booker/M Holledge/M Rana	More bolards outside flats on Trelwaney inc 273 Trelwaney Ave	05.08.2018		20.09.2018		C		1,600						
	P Booker/M Holledge/M Rana	Parry Green South/North (6 extra parking bays)	10.06.2018		20.09.2018		C		13,000						
	P Booker	Garden tidy of 265 Trelwaney Ave	13.01.2019				R							587	
	P Booker/M Holledge/H Cheema	New footpath between Parsons Rd & Bessemer Cl	10.07.2019				C		23,000						
	H Cheema	Play area for dogs	10.07.2019												
	H Cheema	CCTV camera on jct of Spencer Rd & Trelwaney Ave	10.07.2019				C		10,000						
	P Booker/M Holledge	Raised kerb entrance to flats inc. 440 Trelwaney Ave	27.07.2019						1,000						
	P Booker/M Holledge	Bollard near 440 Trelwaney Ave	27.07.2019						1,000						
	P Booker/M Holledge	Grass reseeding outside Ryvers School section	27.07.2019				R							186	
	P Booker/M Holledge	Blandford Road South parking places (create 3 more parking bays outside no 33)	10.08.2019				C		4,000						
	P Booker/M Holledge	Morrice close raised kerbs	10.08.2019				C		2,000						
	P Booker/M Holledge	Tree trimming Blandford Rd South, Trelwaney, Langley High St and Ryvers	13.08.2019				R						805	1,855	
	P Booker/M Holledge	Tree trimming 10 Fieldhurst	25.08.2019				R						500		
		Qtr 1 Time Recharge RM									733				
	P Booker/M Holledge	Tree trimming bases of 2 trees outside Langley Community in Harrow Rd & Ryvers Rd	13.08.2019				R						480		
	P Booker/M Holledge	Spanish Oak Tree	29.09.2019				R						500		
	Green Waste 1.48T @ £40 per tonne													59	
								107,832	88,832	733	18,267	15,000	2,285	2,687	10,028
Langley St Marys	A Dhaliwal/D Coad/T Plenty	Trees and bulbs in Springgate Field	31.01.2018			30.04.2018	C		22,829						
	A Dhaliwal/D Coad/T Plenty	Bench and bin on towpath, Canal Waterside	07.03.2018				C		1,500						
	A Dhaliwal/H Minhas/T Plenty	Sign purchase & installation of 34 signs indicating	04.10.2018							2,176					
	T Plenty	VAS Speed Signs	13.02.2019							10,624					
	A Dhaliwal/H Minhas/T Plenty	Springgate Park Lighting	01.03.2019						24,000						
		Qtr 1 Time Recharge RM									849				
		Qtr 1 Time Recharge RM													
								123,253	48,329	13,649	61,276	15,000	0	0	15,000
	Rayman Bains	Green protection Upton Court & Mulberry Drive	02.02.2018			30.04.2018	C								
	Balvinder S. Bains	Play area edge of Upton Park	10.07.2018				C								
	Rajinder S Sandhu	Mayors Tree Planting & 4 benches	31.10.2018				C								
	Rajinder S Sandhu	5 CCTV to cover Upton Triangle													

Ward	Ward Councillors	Schemes	Application Date	Design Stage	Start Date	Completion Date	Revenue/ Capital	19/20 Revised Capital Budget	19/20 Committed Capital	19/20 Actual-Capital	Remaining Budget -Capital	19/20 Budget - Revenue	19/20 Committed Revenue	19/20 Actual - Revenue	Remaining Budget - Revenue	
								£	£	£	£	£	£	£	£	
Upton	R Sandhu/B Bains/R Bains	Middlegreen Rd/Langley Road Safety Scheme					C									
								169,000	0	0	169,000	15,000	0	0	15,000	
Wexham	Paul Sohal	Walking track in Preston Park	01.12.2017				C		16,670							
	Shabnum Sadiq	Speed humps Preston Road	04.07.2018		30.08.2018		C		10,000							
	H Dar/S Sadiq/P Sohal	Wexham Rd Footbridge Mesh	01.10.2018				C		5,115							
	Haqeeq Dar	Mayors Tree Planting project & 4 benches	31.10.18				C		4,000							
	Haqeeq Dar	timber bollards at service rd between Nos 260-300+ (Wexham Road)-concrete bollards on Wiltshire	10.12.2018			28.05.2019	C			11,340						
	Haqeeq Dar	Sheehy way wooden knee rails	25.02.2019			28.05.2019	C			2,926						
	Haqeeq Dar	Grass crete in hillisdon	25.02.2019				C		15,000							
		The Frithe-Construct Parking Bays Fronting 150 - 156				29.06.2019	C				27,522					
		Qtr 1 Time Recharge RM									1,775					
	Haqeeq Dar	Preston Road recreation ground								12,000						
									108,381	62,785	43,563	2,033	15,000	0	0	15,000
		Access Guide												4,959		
								1,573,631	586,892	369,102	617,636	210,000	40,285	13,075	156,640	

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 14<sup>th</sup> October 2019

**CONTACT OFFICER:** Alison Hibbert – Leisure Services Manager  
(For all enquiries) (01753) 875896

**WARD(S):** All

**PORTFOLIO:** Councillor Pantelic - Health and Wellbeing

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

**ACTIVE SLOUGH - A LEISURE STRATEGY FOR SLOUGH**1 **Purpose of Report**

To advise Cabinet on the progress made against the council's five year leisure strategy, which was adopted by Cabinet in 2014 and aimed to get more Slough residents more active, more often.

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

The Cabinet is requested to note the report and progress made in implementing the Leisure Strategy.

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

All the actions within the Slough Leisure Strategy contribute towards achieving the overarching vision of the Slough Joint Wellbeing Strategy and will make significant contributions to the delivery of the following outcomes:

- **Protecting vulnerable children** - New leisure facilities will be safe environments for children and will target those who are disadvantaged.
- **Improving mental health and wellbeing** – It is well established and accepted that taking part in regular sport and physical activity contributes greatly to better mental health and general wellbeing.

3b. **The JSNA**

The JSNA examines the needs of all residents of Slough to identify those groups that experience poor outcomes and access to services. It sets the scene for the development of local strategies and provides evidence for these groups.

3c. **Five Year Plan Outcomes**

The key drivers for the Leisure Strategy are to deliver the following outcomes of the 2018 Five Year Plan:

- **Outcome 1: Slough children will grow up to be happy, healthy and successful**  
Taking part in regular sport, physical activity and other related positive leisure activity is proven to improve the physical health and mental wellbeing of children and young people, along with educational attainment and confidence and self esteem.
- **Outcome 2: Our people will be healthier and manage their own care needs –**  
Addressing the rates of inactivity in our adult population is a key priority for the council. Improved leisure facilities that are accessible and cater for a range of abilities will be a key area for turning the tide on this inactivity.
- **Outcome 3: Slough will be an attractive place where people choose to live, work and stay –** Attractive and accessible leisure facilities will attract people to the borough to live, work and visit.
- **Outcome 5: Slough will attract, retain and grow businesses and investment to provide opportunities for our residents -** Good quality, accessible leisure facilities are attractive to employers to ensure a healthy workforce, which is imperative for a businesses success.

#### 4 Other Implications

##### (a) Financial

All the leisure capital projects have come in on budget and to predicted timescales. Project managers are continuing to work with Morgan Sindall Construction and SUR to ensure identified defects are completed within the 12 month sign off phase.

The re-procurement of the leisure contract in 2017, which appointed Everyone Active as our chosen leisure provider for the next 10 years, to operate and manage our new leisure facilities, is expected to provide a surplus in funding of over £10 million to the council over this period.

##### (b) Risk Management

The leisure strategy capital development team kept a detailed risk register for all the council's major leisure schemes. The risk register was reported to the Leisure Strategy Board fortnightly and a monthly highlight report was produced for CMT.

<b>Risks/Threats/ Opportunities</b>	<b>Current Controls</b>	<b>Risk Management Matrix Score</b>	<b>Future Controls</b>
Everyone Active fail to achieve targeted performance and cannot make agreed payments	Monthly and quarterly meetings held to discuss performance with contractor	2	Ongoing monitoring of financial performance against contract
Everyone Active fail to adequately maintain new facilities	Bi-monthly maintenance visits using FM 180 facility management system by property services. Unannounced visits by client officer	2	Maintain current arrangements



(c) Human Rights Act and Other Legal Implications

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

(d) Equalities Impact Assessment

Equality impact assessments have been prepared for areas where closure of facilities would potentially impact existing users e.g. ice users and the provision of a temporary rink.

(e) Workforce

The delivery of the leisure strategy has initiated a number of full and part time employment opportunities across all phases of the project including construction, new job opportunities in the leisure facilities working for Everyone Active and freelance coaching roles with the Active Slough team.

In addition to this Everyone Active run an apprentice programme in Slough offering eight placements a year for Slough residents to work whilst studying for level 2 / 3 qualifications in leisure management or fitness and health.

(f) Property

Arbour Park Community Sports Stadium is currently operated and managed by the council's building management team. The council is responsible for the full costs of operating and maintaining the building.

Under the leisure contract Everyone Active is responsible for the operating and full maintenance and repairs to The Centre and Langley Leisure Centre, Slough Ice Arena and Salt Hill Activity Centre. Their legal responsibilities are detailed in the comprehensive leisure contract and associated leases. Monitoring of their performance in regard to the management and care of the buildings is overseen by the Leisure Client Manager, Michael Shepherd, and routine inspections are carried out by mechanical and electrical specialists through property services.

(g) Carbon Emissions and Energy Costs

The Centre has received a BREEM energy rating of excellent and Arbour Park a good rating. The facilities that were designated as refurbishment schemes were not required to undertake BREEM assessment but all facilities have been awarded very good energy efficiency scores. A more detailed breakdown of the individual buildings is available on request.

**5 Supporting Information**

**5.1 Leisure Strategy**

The Slough leisure strategy, adopted in 2014, set out an ambitious five year programme to achieve four main priorities:

1. To provide new, quality core leisure facilities for Slough residents
2. To provide a network of improved and accessible free leisure facilities in neighbourhood parks and open spaces

3. To provide a comprehensive programme of accessible opportunities for local residents of all ages and abilities to participate in regular physical activity
4. To procure a new leisure operator to manage the new, core leisure facilities.

Governance for this corporate 'Gold' project was overseen by the Leisure Strategy Board, established in 2015 to monitor the progress of the £62 million capital improvement programme.

## 5.2 Capital programme

The leisure capital portfolio was managed and delivered in partnership with Slough Urban Renewal (SUR) with our chosen construction Partner Morgan Sindall Construction. This has resulted, over a four year construction programme, a network of state of the art leisure facilities.

- 5.3 Over this period Slough Borough Council's investment in the town's leisure offer has attracted much interest and praise. This has resulted in a number of awards for the designs of the buildings, visits from other developers and local authorities looking to develop their own offer, a visit from Sport England's national directors team and the new facilities being used for popular TV programmes and high profile national sports teams.
- 5.4 **Arbour Park Community Sports Stadium** had a two phased opening which enabled Slough Town Football Club to take up residency at the stadium for the 2017/18 football season. Phase 2 was completed in May 2017 with the opening of the first floor and 250 seater stand. The stadium was voted best non-league stadium of the year in 2017 and hosted the FA draw and televised the best FA Cup run for Slough Town FC through Sky Sports. The facility has a full community use programme hosting grass roots clubs for training and fixtures. It has also hosted national squads for training and fixtures too, including the Welsh Women's squad and England Under 18s.
- 5.5 **Slough Ice Arena** opened to the public in March 2018 and the official opening attracted over 3,000 visitors on the day to take part in skating and climbing sessions. The building was voted best South East community building of the year by LABC and has been shortlisted for the national awards to be announced in November 2019.

Over the last year of operation the facility has hosted the following:

- Dancing on Ice – Interview and selection / training sessions
- Who Bares Wins – ITV Cancer awareness programme
- Cinema on Ice
- Skate with Santa
- Build a snowman / snowing on ice session
- Christmas Gala (Everyone Active Figure Club)
- Hosted Slough Jets games, who have gone on to win the National Ice Hockey League 2

- 5.6 **Salt Hill Activity Centre** opened its doors to the public in June 2018 with the community open day attracting over 2,500 visitors who were able to use the multi activity centre for free throughout the day. The centre is a popular venue for families and in one weekend hosted over 20 birthday parties. Over the past year Berkshire

Fire Service have used the indoor caving system for training purposes.

5.7 **Langley Leisure Centre** opened its doors to the public in July 2018 with a formal opening attended by Olympic athlete and world record holder, Colin Jackson. The centre has proved to be a very popular facility for local users and has surpassed expected membership targets and usage.

5.8 **The Centre** opened its doors to the public in March 2019 involving a seamless closure of Montem Leisure Centre and the opening of the new facility. New membership for the facilities have exceeded targets and the new, modern facilities have been warmly received by the community.

5.9 **Current levels of usage of Everyone Active managed facilities**

In 2018/19; the first full operating year for Everyone Active, the following usage figures were recorded:

- 898,393 centre visits
- 2,085 swimmers taught every week
- 230,478 fitness visits
- 13,425 school swimmers annually
- 65,853 Ice skating visits
- 139,887 casual swimming visits
- 6,092 fitness members (annual and direct debit)
- 72,904 activity visits
- 711 customer comments
- The highest percentage of users is recorded as 16 years and under at 28%.
- The lowest percentage of users are aged 65+ at 5.4%
- 80% of fitness members have SL1, SL2 and SL3 post codes
- 55% of people with fitness membership have an SL3 postcode

Current projections for total usage in 2019/20 are estimated to be in excess of 1.2 million.

5.10 **New leisure contract**

Early in 2015 the council commenced its procurement programme to appoint a leisure operator to manage the new leisure facilities. After a twelve month procurement exercise Everyone Active were awarded a ten year contract, which commenced in June 2017. The new contract offers the council a far more favourable financial package, with the council able to recoup some of the investment it has made in its award winning leisure facilities, with an estimated saving to the council of over £10 million over the next ten years. The council has recruited a leisure client officer to monitor the contract and they meet monthly with the contractor in formal contract meetings. The contractor is required to produce quarterly performance reports and an annual business report.

5.11 **Neighbourhood programme**

Over the last five years sports facilities in parks and open spaces across the borough have seen significant investment including the installation of twenty six green gyms, seven new multi use games areas (MUGAs) a skate park, a parkour park, seven artificial cricket wickets, four cricket practice nets and a network of dedicated walking tracks.

The green gyms in particular have proved to be a very popular resource, which are

seeing greater usage across the borough. Salt Hill and Manor Park Recreation Ground also host the 'Big Community Workouts' weekly, based around the use of the green gyms, which is facilitated by qualified community coaches.

At seven of the green gym sites we have installed smart devices to measure usage. In the last ten months 63,943 hits have been recorded.

#### 5.12 **Active Slough – sport and physical activity programme**

The Active Slough team over the last four years have offered a comprehensive and affordable activity programme of over 90 sessions a week to people of all ages and abilities, in accessible venues across the borough. An average of 1,250 participants engage with the Active Slough programme every week, covering Tots, Juniors, Teens, Adults and Seniors (our oldest participant is 91- regular attendee at classic aerobics) For 2019 we have already delivered over 5,000 hours of community sport and physical activity sessions through the Active Slough programme.

#### 5.13 Highlights of the teams work over this period include:

- Introduced and set up Parkrun to Slough 2012/2013
- In July 2019 launched a brand new weekly Junior Parkrun in Salt Hill Park
- Developed Sloughs walking programme 2014
- Secured over £700K in external activity funding for targeted initiatives across the borough.
- Man V Fat programme development in Slough – 300kg lost and 150 men engaged in the programme since 2018
- Slough Netball club developed in 2017 engaging with over 50 women and girls weekly
- Half Marathon in 2018 – 800 registered
- Family 5k in 2018 - 300 participated
- Play Day event - held annually since 2012 now attracting over 4,000 people annually to the event
- Annual Girls football festival that engaged with over 150 girls from primary and secondary schools in Slough started in 2016
- Since forming in May 2017 over 475 people have participated in a run with Active Slough, through the summer our free weekly Tuesday running group at Upton Court Park averaged over 50 participants. We have recruited, trained and upskilled 12 volunteer 'Run Leaders' who have contributed a combined 800 hours of volunteer time to the projects.
- Breaking Boundaries - start of the programme in 2018 which has:
  - 41 new community champions recruited during the past year
  - 272 volunteering hours undertaken by the community champions

- 126 sessions regular events delivered
- 120+ new regular participants
- 1307 one off participants
- Working with 13 partners including 7 community organisations
- 7 community events including Tea 20 and a Women and Girl's Cricket Festival
- The first ever girls cricket team at Slough CC

#### 5.14 **Proposals for next phase of work**

Plans are currently in place in regard to the development of a new leisure strategy, which will set a vision for leisure in Slough for the next five years. The vision and content of the new strategy will be based on the 'Slough Health Beliefs' research project carried out by MEL, a community led research project to involve Slough residents in a local conversation on health and activity levels. The project set out to identify what residents believe they can do to keep physically and mentally well and prevent poor health in themselves and their loved ones, with support from the council.

The findings of the research will be delivered to the council in in a full report format in the late autumn.

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

Not applicable.

#### 7 **Conclusion**

- 7.1 In 2014 the Council set out to deliver a highly ambitious five year leisure strategy which aimed to address the high levels of inactivity in our diverse communities across the borough. The strategy identified four key priorities as detailed in section 5.1 of this report.

The strategy has successfully delivered against the key priorities, giving the residents of Slough excellent sporting provision through the core leisure facilities and a network of green gyms and exercise provision, free to use in local neighbourhoods.

The new leisure strategy currently being developed through the 'Health Beliefs' research project will focus more on the wellbeing and health of our residents and how we can work in partnership with key stakeholders across the town to get all of Slough more active.

#### 8 **Background Papers**

None.

This page is intentionally left blank

**Slough Borough Council****REPORT TO:** Cabinet **DATE:** 14 October 2019**CONTACT OFFICER:** Barry Stratfull, Service Lead Finance  
**(For all enquiries)** 01753 875748**WARD:** All**LEAD MEMBER:** Councillor James Swindlehurst, Leader of the Council and  
Cabinet Member for Regeneration & Strategy**PART I**  
**NON-KEY DECISION****IMPACT ASSESSMENT OF A NO DEAL BREXIT ON SLOUGH**1. **Purpose of Report**

To provide an update on the potential impacts of a 'no-deal' Brexit on Slough and the Council's operations.

2. **Recommendation**

That the Cabinet note the current position and the activity the Council has undertaken to mitigate risks.

3. **The Slough Joint Wellbeing Strategy 2016 – 2020, the Joint Strategic Needs Assessment and the Five Year Plan 2018 - 2022**

## 3.1 Brexit has the potential to impact on the delivery of a number of Slough's Joint Wellbeing Strategy priorities including:

- 2. Increasing life expectancy by focusing on inequalities
- 4. Housing

## 3.2 Brexit has the potential to impact on the delivery of a number of the council's Five Year Plan priority outcomes particularly:

- Outcome 3 – Slough will be an attractive place where people will live, work and stay.
- Outcome 4 – Our residents will live in good quality homes
- Outcome 5 – Slough will attract, retain and go businesses and investment to provide opportunities for our residents.

4. **Other Implications**

- (a) **Financial** - There are no financial implications associated with the proposed action, beyond Brexit itself.

- (b) **Risk Management** – There are no identified risks to the proposed action, beyond the risks highlighted in the report itself.
- (c) **Human Rights Act and Other Legal Implications** - There are no Human Rights Act implications associated with the proposed action.
- (d) **Equalities Impact Assessment** - There is no requirement to complete an Equalities Impact Assessment in relation to this report.

## **5. Supporting information**

- 5.1 At this stage there are still more questions than answers around the timing and detail of Brexit. This report provides an update following the previous report of 17 September 2018.
- 5.2 Since assuming office, the Prime Minister has committed to a policy of ensuring that the UK leaves the EU on 31<sup>st</sup> October, with or without a deal.
- 5.3 Discussions have been ongoing since between the Government and the EU Commission regarding customs arrangements for the Northern Ireland border - which are widely seen to be the major obstacle that prevented the Withdrawal Agreement from passing through the House of Commons.
- 5.4 Detailed proposals for an alternative agreement were passed over to the EU by the Government on 2<sup>nd</sup> October, and the Prime Minister has stated that if the EU does not engage with these proposals, the UK ‘walk away’ from negotiations. Some commentators have so far been sceptical as to the likelihood of these proposals being acceptable to the Commission.
- 5.5 Parliament has passed legislation (widely referred to as ‘The Benn Bill’) which theoretically forces the Prime Minister to accept any extension to the Article 50 process that is offered by the EU and outlaws any No Deal exit that is not approved by Parliament. However, this legislation may not be sufficient because:
  - The EU may refuse to offer an extension or a member state might veto one; and
  - Recent comments from the Prime Minister’s special adviser Dominic Cummings indicate that the Government believe that they have found a loophole to avoid abiding by the legislation.
- 5.6 Parliament theoretically could vote to revoke the Article 50 process unilaterally, but some commentators do not believe this to be likely to happen due to the political ramifications.
- 5.7 To summarise, a No Deal exit remains a very distinct possibility on the 31<sup>st</sup> October, and SBC should continue its Brexit preparations on this assumption.
- 5.8 The key risks of a No Deal Brexit are set out in the table at Appendix A. This uses the council’s corporate methodology to ensure that risks are identified and assessed in a consistent manner. The probability and impact assessment currently assumes



that no mitigating actions have been implemented to date. The council's Risk and Audit Board has reviewed the risks identified and mitigating actions.

5.9 Further context and background on the key issues affecting Slough is set out at Appendix B.

5.10 Since the last report to Cabinet this Council has been proactive in preparing for Brexit and supporting our residents. For example:

- Promoted the EU Settlement Support service through our Registrations team ID verification service (including providing the service free of charge to our own staff and those residents with care needs)
- Set up and maintained a dedicated Brexit web page on the council's website
- Contacted local suppliers with information relating to No Deal and surveyed their readiness
- Playing a full part in the Thames valley Local Resilience Forum to ensure that its plans for No Deal take account of relevant local circumstances and potential impacts on our communities.
- Trained specialist staff to be able to process health export certificates for local exporters to the EU
- Ensured attendance at government briefings in key areas such as trading standards / import and export implications given our proximity to Heathrow
- Held a Landlords Forum to promote advice from government including the right to rent and EU Settlement Scheme
- Ensured schools are receiving relevant communications and advice from government
- clear communication to local residents and businesses to support their own preparations for Brexit and developing a plan for how the council would communicate important messages to stakeholders
- Continued to ensure our readiness for any potential general election

## 6. **Comments of other committees**

6.1 This report has not been shared with any other committees.

## 7. **Conclusion**

7.1 The implementation of Brexit is likely to have wide ranging impacts on public services, communities and businesses. To mitigate these, the council continues to assess and prepare for all eventualities (including No Deal), by identifying and reviewing areas of potential impact.

7.2 Work has continued throughout the year to assess our resilience and develop a high level risk and contingency table to protect our residents, businesses, revenue streams, workforce, local regeneration, infrastructure projects and community cohesion priorities.

7.3 The Council's Senior Leadership Team continues to actively manage risks and issues, reviewing the national, regional and local context, to provide weekly updates to the Corporate Management Team and assurance to the Cabinet on our preparations.

**8. Appendices attached**

A – No Deal Brexit risk analysis

B – Further context and background

**9. Background papers**

None

## Appendix A: No Deal Brexit risk analysis

Ref	Type	Description	Effect	Probability	Impact
1	Development and regeneration schemes	Securing investments could become more difficult / Investment decisions could be delayed by lenders.	<b>NEGATIVE</b>	<b>Unknown</b>	<b>Marginal</b>
2	Development and regeneration schemes	Major building / infrastructure projects could be delayed or deferred.	<b>NEGATIVE</b>	<b>Unknown</b>	<b>Critical</b>
3	Economy	Potential loss of inward investment if European firms are deterred from investing in Slough.	<b>NEGATIVE</b>	<b>Significant</b>	<b>Unknown</b>
4	Economy	Impact on living standards due to higher prices as a result of possible economic downturn.	<b>NEGATIVE</b>	<b>Very High</b>	<b>Unknown</b>
5	Financial	Reduced income from fees and charges as a result of possible economic downturn.	<b>NEGATIVE</b>	<b>High</b>	<b>Critical</b>
6	Financial	Reduced income from business rates if businesses close, relocate, or reduce operations.	<b>NEGATIVE</b>	<b>High</b>	<b>Critical</b>
7	Financial	Loss of access to EU funding programmes for council and VCS projects.	<b>NEGATIVE</b>	<b>Unknown</b>	<b>Marginal</b>
8	Financial	Potential fall in value of investments and assets impacts on balance sheet.	<b>NEGATIVE</b>	<b>Significant</b>	<b>Unknown</b>
9	Financial	Loss of business function and / or continuity due to potential withdrawal of contractors.	<b>NEGATIVE</b>	<b>Significant</b>	<b>Unknown</b>
10	Financial & environmental	Potential loss of revenue savings as a result of failing to meet key targets and outcomes in the council's Carbon Management Plan	<b>NEGATIVE</b>	<b>High</b>	<b>Critical</b>
11	Population	An exodus of residents from EU27 countries could reduce demand for some services.	<b>POSITIVE</b>	<b>High</b>	<b>Unknown</b>
12	Population	Following Brexit EU nationals will not have the right to take part in local elections (unless & until the UK enters into a bilateral arrangement with the nation involved). This could affect the accuracy of the electoral roll.	<b>NEGATIVE</b>	<b>Very High</b>	<b>Unknown</b>
13	Population	Potential economic downturn could lead to increased demand for some services. Including for Example free school meals	<b>NEGATIVE</b>	<b>High</b>	<b>Critical</b>
14	Population	An exodus of residents from EU27 countries could reduce demand for	<b>POSITIVE</b>	<b>High</b>	<b>Unknown</b>

Ref	Type	Description	Effect	Probability	Impact
		school places			
15	Workforce	Potential loss of employees from EU27 countries in the construction sector could impact our ability to deliver regeneration, repairs and maintenance priorities.	<b>NEGATIVE</b>	<b>Significant</b>	<b>Unknown</b>
16	Workforce	Potential loss of employees from EU27 countries in the health and social care sectors could impact on delivery of certain services.	<b>NEGATIVE</b>	<b>High</b>	<b>Unknown</b>
17	Workforce	Potential loss of employees from EU27 countries in the council's employment could impact our service delivery.	<b>NEGATIVE</b>	<b>Significant</b>	<b>Unknown</b>
18	Workforce	Potential loss of employees from EU27 countries in the education sector could impact on schools and their ability to operate.	<b>NEGATIVE</b>	<b>High</b>	<b>Unknown</b>
19	Workforce	Potential need to fill workforce gaps could be a challenge if there are higher agency costs associated with recruitment and retention.	<b>NEGATIVE</b>	<b>High</b>	<b>Critical</b>

## **Appendix B: Further context and background**

### **Slough's EU migrant population:**

- In 2011, 9.2% (13,698) of Slough's population was born in an EU country other than the UK. The most common countries of origin were Poland, Italy, Germany, France and Portugal, whilst nationally it was Romania, Poland, Italy, Spain and Bulgaria.
- 3,093 residents arrived between 2010 and 2011. One fifth of residents (20.7%) came to the UK between 2001 and 2011. 3.7% of the population (5,133 people) had been living in the UK less than 2 years while a further 6.5% (9,149 people) had been here for between 2 and 5 years.
- During 2017/18, 2,443 national insurance numbers were allocated to new EU migrants entering the UK and arriving in Slough, although no data is available as to whether they stayed and found employment in Slough. 1,136 came from Bulgaria and Romania, 736 from Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, 563 from 'original' EU members prior to the 2004 expansion and 8 from Malta and Cyprus.

### **Workforce:**

- Key sectors potentially at risk in Slough include construction and health and social care: In 2018, there were an estimated 2,700 jobs in Slough's adult social care sector, comprising of 2,100 direct care providing roles (including 1,600 care workers), 250 managerial roles, 250 other-non-care providing roles and 125 regulated professionals. 13% (351) of this workforce is from an EU country outside the UK.

### **Business rates:**

- The loss of business rates due to large companies moving out of the borough would have a highly significant impact on the council's budget. In 2018/19 the anticipated value of retained business rates to the council is £41.880m.
- Brexit could place particular pressure on small and medium-sized businesses, due to the impact on reduced capital investment, which could weaken and undermine their ability to grow. There were 5,965 small to medium sized enterprises and 6,915 small to medium sized local units in Slough in 2017.

### **External grant funding:**

- All EU funds are usually tied with council match funding funds to extend or increase the volume of existing programmes of work. If no alternative funds are available the council will need to continue to deliver programmes of work within existing budgets without additional funding opportunities. This does however mean that the matched funding requirements of council funds could be more freely used for delivery, rather than ring-fenced to particular eligible client groups.
- The council is in receipt of £880K in funding under Building Better Opportunities, jointly funded by Big Lottery Funding and European Social Fund (ESF), to improve access to employment and training.

## Development and regeneration:

- The decision to leave the EU has prompted warnings across the construction industry about the impact of prolonged uncertainty on house prices and the cost of borrowing may result in some developments schemes stalling, leading to some council's being unable to meet their housing supply targets.
- Under a 'no deal' scenario, the UK would lose access to European Structural and Investment Funding (ESIF), worth £5.6 billion to local communities in England (2014-20). However, the Treasury announced that in the event of 'no deal' the Government would 'underwrite' ESIF funding until the end of 2020. Councils need to know quickly how they will be able to bid, and receive guarantees that the UK 'Shared Prosperity Fund' will at least match the funding from the current ESIF funds and be in place from 1 January 2021.

## Economy:

- Restrictions on free movement of labour and access to the European market could accelerate the move of large businesses to Europe resulting in a loss of business rates, which would have a highly significant impact on the council's budget.
- Slough's construction sector is highly reliant on migrant labour. Limits on free movement could bring about skills shortages, which could impact on construction, as well as businesses and employers within the borough. However this could also provide opportunities for some Slough residents.
- Other potential sources of labour depending on post-Brexit migration arrangements could be available and there may be more opportunities for locally trained staff through our various work schemes.
- Reduced businesses investment, access to funding and the financial impact on suppliers could present challenges for investment in decarbonisation initiatives.
- European Social Fund (ESF) and European Regional Development (ERDF) funding revenue and/or capital funds for stimulation of markets, access and employment, supply chains, business start-ups resources will be unavailable in the future.
- **Slough is still seen as an attractive business destination, new businesses may relocate into the borough, bringing different skills and experience and different employment opportunities.**

## Regulatory Services :

- 
- EU laws affect a wide variety of the council's activity. The European Union (Withdrawal) Bill will enshrine all existing law into UK law at the point of Brexit. However, there are many regulatory functions where it is not clear how the transition will work. Preparation for changes to officer authorisations and briefings for businesses are underway.
- It is recognised that there may be extra demand for Export Health Certificates for local businesses exporting to the EU

## Procurement:

- Local Authorities must comply with EU public sector procurement rules. The most significant requirement is for all public contracts over a certain value to be published in the Official Journal of the European Union (OJEU), thus making them accessible to suppliers from across the EU. In the medium term, public procurement rules more generally will remain in place as they have been implemented via UK law.
- Procurement at and over the relevant OJEU value must be advertised via OJEU. Procurement less than the threshold values need to follow local procurement rules and do not need to be advertised on OJEU. The Councils local procurement rules are in the councils Constitution.
- If the UK's exit results in the UK not being part of the single market it is likely we will remain a member of the WTO (World Trade Organisation) Agreement on Government Procurement (GPA), which again focuses on Procurement over certain thresholds. There may be potential therefore for a more flexible or different procurement policy for smaller procurements, however longer-term opportunities for procurement regulations are being considered by Government.
- In the medium term though, public procurement rules are likely to remain in place as they have been implemented via UK law.

This page is intentionally left blank



**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 14<sup>th</sup> October 2019

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

**WARD(S):** All

**PORTFOLIO:** Leader, Regeneration & Strategy – Councillor Swindlehurst

**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:

1. Protecting vulnerable children
2. Increasing life expectancy by focusing on inequalities
3. Improving mental health and wellbeing
4. Housing

**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 13<sup>th</sup> September 2019

## **7. Background Papers**

None.

# **NOTIFICATION OF DECISIONS**

## **1 OCTOBER 2019 TO 31 DECEMBER 2019**

Date of Publication: 13<sup>th</sup> September 2019

## **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.

Page 72  
This document provides a summary of the reason why a matter is likely to be considered in private / Part II. The full reasons are listed alongside the report on the Council's website.

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

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

For each decision, the plan will give:

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

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

An executive decision which is likely either:

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

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

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

The members of the Cabinet are as follows:

- |   |                         |
|---|-------------------------|
| • Leader of the Council - Regeneration & Strategy | Councillor Swindlehurst |
| • Deputy Leader – Governance & Customer Services  | Councillor Hussain      |
| • Transport & Environmental Services              | Councillor Anderson     |
| • Inclusive Growth & Skills                       | Councillor Carter       |
| • Planning & Regulation                           | Councillor Mann         |
| • Housing & Community Safety                      | Councillor Nazir        |
| • Health & Wellbeing                              | Councillor Pantelic     |
| • Children & Schools                              | Councillor Sadiq        |

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

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

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

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

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

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

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

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

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

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

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

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

Page 7

### **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 Commercial Sub-Committee - 1st October 2019

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<b><u>Housing Development Programme</u></b> To seek approval to proceed with the housing development programme and outline future options for estate rationalisation masterplan reviews.	R&S	All	Housing; Protecting Vulnerable Children; Improving Mental Health & Wellbeing	John Griffiths, Service Lead Housing Development and Contracts Tel: (01753) 875436	-	None		
<b><u>Future Operational Structure of DISH</u></b> To consider a report on the future operational structure of Development Initiative for Slough Housing (DISH).	H&C	All	All	John Griffiths, Service Lead Housing Development and Contracts Tel: (01753) 875436	-	None		Yes, p3 LGA
<b><u>Chalvey 'Extra Care' Housing Scheme</u></b> To seek approval to proceed with the development of 60 'Extra Care' homes in Chalvey, funding, future options and authority to procure and appoint from specialist framework.	H&C	Chalvey	Housing and Improving Mental Health & Wellbeing	John Griffiths, Service Lead Housing Development and Contracts Tel: (01753) 875436	-	None		Yes, p3 LGA

## Cabinet - 14th October 2019

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<b><u>Treasury Management Annual Report</u></b> To receive an annual report summarising treasury management activity in 2019/20.	G&C	All	All	Barry Stratfull, Service Lead Finance Tel: (01753) 875748	-	None		

**Portfolio Key** – R&S = Regeneration and Strategy, G&C = Governance & Transformation, T&E = Transport & Environmental Services, C&S = Children & Schools, P&R = Planning & Regulation, H&C = Housing & Community Safety, H & S = Health and Wellbeing, I&S = Inclusive Growth & Skills

**Bold** – Key Decision

Non-Bold – Non-Key Decision

*Italics* – Performance/Monitoring Report

<b><u>Town Centre Masterplan</u></b> To consider a report on the proposed masterplan for Slough town centre.	I&S, R&S	Central	All	Kassandra Polyzoides, Service Lead Regeneration Development Tel: (01753) 875852	-	None	√	Yes, p3 LGA
<b><u>Heart of Slough Senior Debt Report</u></b> To take decisions regarding the financing of the Heart of Slough regeneration project.	R&S	Central	All	Kassandra Polyzoides, Service Lead Regeneration Development Tel: (01753) 875852	-	None	√	Yes, p3 LGA
<b><u>Nova House</u></b> Further to the Cabinet report on 21 <sup>st</sup> January 2019, to receive a further update on Nova House and take any further decisions on the work programme and associated matters.	H&C	Central	All	Richard West, Interim Director of Place & Development	-	None	√	Yes, p3 LGA
<b><u>References from Overview &amp; Scrutiny</u></b> <i>To consider any references from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i>	G&C	All	All	Janine Jenkinson, Senior Democratic Services Officer Tel: 01753 875018	-	None		
<b><u>Notification of Forthcoming Decisions</u></b> <i>To endorse the published Notification of Decisions.</i>	R&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None		

**Portfolio Key** – R&S = Regeneration and Strategy, G&C = Governance & Transformation, T&E = Transport & Environmental Services, C&S = Children & Schools, P&R = Planning & Regulation, H&C = Housing & Community Safety, H & S = Health and Wellbeing, I&S = Inclusive Growth & Skills

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



## Cabinet - 18th November 2019

Item	Portfolio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<p><b><u>Financial Update, Revenue - Quarter 2 2019/20</u></b></p> <p>To receive an update on the latest revenue position and to consider any write off requests, virements and any other financial decisions requiring Cabinet approval.</p>	G&C	All	All	Barry Stratfull, Service Lead Finance Tel: (01753) 875748	-	None		
<p><b><u>Financial Update, Capital - Quarter 2 2019/20</u></b></p> <p>To receive an update on the capital programme for the second quarter of the year.</p>	R&S	All	All	Barry Stratfull, Service Lead Finance Tel: (01753) 875748	-	None		
<p><b><u>Community Investment Fund 2019/20 Update and Cabinet Allocation</u></b></p> <p>To receive an update on the delivery of the 2019/20 Community Investment Fund and consider proposals for utilising the remaining Cabinet allocation.</p>	G&C	All	All	Neil Wilcox, Director of Finance and Resources (Section 151 Officer) Tel: 01753 875358	-	None		
<p><b><u>References from Overview &amp; Scrutiny</u></b></p> <p><i>To consider any references from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i></p>	G&C	All	All	Janine Jenkinson, Senior Democratic Services Officer Tel: 01753 875018	-	None		

**Portfolio Key** – R&S = Regeneration and Strategy, G&C = Governance & Transformation, T&E = Transport & Environmental Services, C&S = Children & Schools, P&R = Planning & Regulation, H&C = Housing & Community Safety, H & S = Health and Wellbeing, I&S = Inclusive Growth & Skills

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

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

## Cabinet - 16th December 2019

Item	Port- folio	Ward	Priority	Contact Officer	Other Committee	Background Documents	New Item	Likely to be Part II
<b><u>Council Taxbases 2020/21</u></b> To present information on the properties in Slough and their categories of occupation for the purpose of determining the council taxbase for the borough for the 2020/21 financial year.	G&C	All	All	Barry Stratfull, Service Lead Finance Tel: (01753) 875748	-	None	√	
<b><u>Performance &amp; Projects Report Q2 2019/20</u></b> To receive a report on the progress against the Council's balanced scorecard indicators and key projects for 2019/20.	G&C	All	All	Dean Tyler, Service Lead Strategy & Performance Tel: (01753) 875847	-	None	√	
<u>References from Overview &amp; Scrutiny</u> <i>To consider any references from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i>	G&C		All	Janine Jenkinson, Senior Democratic Services Officer Tel: 01753 875018	-	None	√	
<u>Notification of Forthcoming Decisions</u> <i>To endorse the published Notification of Decisions.</i>	R&S	All	All	Catherine Meek, Head of Democratic Services Tel: 01753 875011	-	None	√	

**Portfolio Key** – R&S = Regeneration and Strategy, G&C = Governance & Transformation, T&E = Transport & Environmental Services, C&S = Children & Schools, P&R = Planning & Regulation, H&C = Housing & Community Safety, H & S = Health and Wellbeing, I&S = Inclusive Growth & Skills

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank