

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council                      **DATE:** 21 February 2012

**CONTACT OFFICERS:** Julie Evans  
Strategic Director of Resources

**(For all enquiries)**                      (01753) 875300

**WARD(S):** All

### **PART 1** **FOR DECISION**

#### **UPDATE REPORT: MEDIUM TERM FINANCIAL STRATEGY**

##### **1. PURPOSE OF REPORT – REASON FOR UPDATE:**

- 1.1 Following the publication of the Overview and Scrutiny, Cabinet and the Council reports, the Royal Berkshire Fire Authority and Thames Valley Police Authority have now provided final confirmation of their precept requirements for 2012/13.
- 1.2 At the time of the previous report, officers awaited final confirmation of capital financing requirements. The final figures have now been incorporated and this has resulted in a number of changes in the Prudential Indicators. The overall budget calculations contained within the report were unaffected by these changes.
- 1.3 Following decisions taken by Cabinet around the establishment of earmarked reserves, to be set aside in the current financial year to fund specific potential future costs, the reserves appendix has been updated.

##### **2. CHANGES REQUIRED**

- 2.1 The Medium Term Financial Strategy report should be amended as follows:
- 2.2 The Thames Valley Police Authority has confirmed that it has frozen its precept at £154.30, the same level for 2011/12;
- 2.3 The Royal Berkshire Fire Authority has confirmed that it has frozen its precept at £55.66. In the previously reported figures an increase of 3.5% was allowed for, based on information available at that time.
- 2.4 In accordance with these requirements, Members are asked to agree the revised calculations set out at Appendix A. The council tax for a Band D property under these calculations is £1,361.07 including the

police and fire demands but excluding any parish precepts. Note, the same cash amount was requested in 2011/12 as all three relevant authorities have now accepted the Government's Council Tax Freeze Grant for the forthcoming financial year in lieu of any cash increase. The associated council tax amounts required for each band are included at Appendix B.

APPENDICES – Revisions:

- A Statutory calculation of council tax 2012/13
- B Revised schedule of basic amount of council tax for all areas.
- C Revised Prudential Indicators
- D Revised reserves table

## Appendix A

### Statutory Determination of Council Tax

#### Council Tax Resolution

In relation to the Council Tax for 2012/13 Cabinet is requested to resolve:

(a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Act 1992 (the Act), the Council Tax for the Slough area for the year ending 31 March 2013 be as specified below and that the Council Tax be levied accordingly.

(b) That it be noted that at its meeting on 21 November 2011 Cabinet calculated the following Tax Base amounts for the financial year 2012/13 in accordance with Regulations made under sections 31B(3) and 34(4) of the Act:

(i) 41,981.5 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2012/13, and

(ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2012/13:

a)	Parish of Britwell	1,809.5
b)	Parish of Colnbrook with Poyle	1,959.1
c)	Parish of Wexham	1,497.6

(c) That the following amounts be now calculated for the year 2012/13 in accordance with sections 31A to 36 of the Act:-

(i) £388,106,750 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(2)(a) to (f) of the Act. (Gross Expenditure)

(ii) £339,501,621 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) (a) to (d) of the Act. (Gross Income)

(iii) £48,605,129 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement).

(iv) £1,157.77 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the

Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.

- (v) That for the year 2012/2013 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £268,050 representing the total of Parish Precepts for that year.
- (vi) £1,151.39 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (vii) Valuation Bands

<b>Band</b>	<b>Slough Area</b>	<b>Parish of Britwell</b>	<b>Parish of Colnbrook with Poyle</b>	<b>Parish of Wexham Court</b>
	£	£	£	£
A	767.59	44.06	31.80	24.48
B	895.53	51.41	37.10	28.56
C	1,023.46	58.75	42.40	32.64
D	1,151.39	66.10	47.70	36.72
E	1,407.25	80.79	58.30	44.89
F	1,663.12	95.47	68.90	53.05
G	1,918.98	110.16	79.50	61.21
H	2,302.78	132.19	95.40	73.45

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

- (viii) That it be noted that for the year 2012/13 the Thames Valley Police Authority has stated the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

<b>BAND</b>	<b>Thames Valley Police Authority £</b>
<b>A</b>	102.87
<b>B</b>	120.01
<b>C</b>	137.16
<b>D</b>	154.30
<b>E</b>	188.59
<b>F</b>	222.88
<b>G</b>	257.17
<b>H</b>	308.60

- (ix) That it be noted that for the year 2012/13 the Royal Berkshire Fire Authority has stated the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

<b>BAND</b>	<b>Royal Berkshire Fire Authority</b>
A	37.11
B	43.29
C	49.48
D	55.66
E	68.03
F	80.40
G	92.77
H	111.32

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

<b>Band</b>	<b>Slough £</b>	<b>Thames Valley Police Authority £</b>	<b>Royal Berkshire Fire Authority £</b>	<b>TOTAL £</b>
<b>A</b>	767.59	102.87	37.11	907.57
<b>B</b>	895.53	120.01	43.29	1,058.83
<b>C</b>	1,023.46	137.16	49.48	1,210.10
<b>D</b>	1,151.39	154.30	55.66	1,361.35
<b>E</b>	1,407.25	188.59	68.03	1,663.87
<b>F</b>	1,663.12	222.88	80.40	1,966.40
<b>G</b>	1,918.98	257.17	92.77	2,268.92
<b>H</b>	2,302.78	308.60	111.32	2,722.70

- (xii) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 1992 Act.
- (xiii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (xiv) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.

## Schedule of Basic Amount of Council Tax for All Areas (Including Police & Fire)

### 2012/13

Tax Bands	Fractions	SLOUGH	THAMES VALLEY POLICE	THE ROYAL BERKSHIRE FIRE	SLOUGH PLUS POLICE & FIRE	LOCAL PARISHES + SLOUGH + POLICE + FIRE					
						BRITWELL		COLNBOOK WITH POYLE		WEXHAM COURT	
						Council Tax (a)	Council Tax (b)	Council Tax (c)	Council Tax (d) a+b+c	Parish Element (e)	Total Council Tax (f) d+e
£	£	£	£	£	£	£	£	£	£	£	
A	6/9	767.59	102.87	37.11	907.57	44.06	951.63	31.80	939.37	24.48	932.05
B	7/9	895.53	120.01	43.29	1,058.83	51.41	1,110.24	37.10	1,095.93	28.56	1,087.39
C	8/9	1,023.46	137.16	49.48	1,210.10	58.75	1,268.85	42.40	1,252.50	32.64	1,242.74
D	9/9	1,151.39	154.30	55.66	1,361.35	66.10	1,427.45	47.70	1,409.05	36.72	1,398.07
E	11/9	1,407.25	188.59	68.03	1,663.87	80.79	1,744.66	58.30	1,722.17	44.89	1,708.76
F	13/9	1,663.12	222.88	80.40	1,966.40	95.47	2,061.87	68.90	2,035.30	53.05	2,019.45
G	15/9	1,918.98	257.17	92.77	2,268.92	110.16	2,379.08	79.50	2,348.42	61.21	2,330.13
H	18/9	2,302.78	308.60	111.32	2,722.70	132.19	2,854.89	95.40	2,818.10	73.45	2,796.15

## Appendix C

### Revised Prudential Indicators

No.	Prudential Indicator	2010/11 Actual	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
1	<b>Capital Expenditure:</b>	£000s	£000s	£000s	£000s	£000s	£000s
	Non-HRA	43,339	50,799	40,599	31,634	17,726	7,033
	Housing Revenue Account	6,140	9,699	140,517	13,052	7,273	7,323
		49,479	60,498	181,116	44,686	24,999	14,356

No.	Prudential Indicator	2010/11 Actual	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
2	<b>Ratio of Financing Costs to Net Revenue Stream:</b>						
	Non-HRA	8.62%	5.95%	7.87%	8.67%	8.32%	8.68%
	Housing Revenue Account	7.73%	6.85%	3.15%	16.15%	15.84%	16.89%

No.	Prudential Indicator	2010/11 Actual	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
3	<b>Capital Financing Requirement:</b>	£000s	£000s	£000s	£000s	£000s	£000s
	Non-HRA	118,922	110,486	124,326	123,854	127,189	121,977
	Housing Revenue Account	23,130	23,130	158,971	158,971	158,971	158,971
		142,052	133,616	283,297	282,825	286,160	280,948

No.	Prudential Indicator	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
4	<b>Operational Boundary:</b>	£000s	£000s	£000s	£000s	£000s
	Borrowing	95,000	238,000	238,000	238,000	238,000
	Other Long Term Liabilites	49,000	55,000	53,000	50,000	47,000
	Total	145,000	297,000	297,000	297,000	297,000

No.	Prudential Indicator	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
5	<b>Authorised Limit for External Debt:</b>	£000s	£000s	£000s	£000s	£000s
	Borrowing	104,000	251,000	253,000	256,000	259,000
	Other Long Term Liabilites	49,000	55,000	53,000	50,000	47,000
	Total	153,000	306,000	306,000	306,000	306,000



No.	Upper Limit on Net Debt compared to Gross Debt	2011/12	2012/13	2013/14	2014/15
		Estimate	Estimate	Estimate	Estimate
5a		£000s	£000s	£000s	£000s
	Outstanding Borrowing (at nominal value)	204,000	204,000	194,000	194,000
	Other Long-term Liabilities (at nominal value)	55,000	53,000	50,000	47,000
	Gross Debt	259,000	257,000	244,000	241,000
	Less: Investments	-100,000	-100,000	-100,000	-100,000
	Net Debt	159,000	157,000	144,000	141,000
Net debt expressed as a percentage of gross debt		61%	61%	59%	59%

No.	Prudential Indicator	31 March 2011 Actual
6	<b>Actual External Debt:</b>	£000s
	Borrowing	66,592
	Other Long Term Liabilites	53,954
	Total	120,546

## Appendix D

<b>SLOUGH BOROUGH COUNCIL</b>						
<b>General Fund Reserves</b>						
					*Subject to review in Nov 2012	
	2011/12			2012/13	2013/14	2014/15
	Committee Approved	Jan 12 Position	Projected Position	Projected Position	Projected Position	Projected Position
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund Balance</b>						
Balance as at 1st April	5,388	6,384	7,500	8,000	8,000	8,000
Planned Contribution to/(from) Revenue Account						
<b>Balance as at 31st March</b>	<b>5,388</b>	<b>6,384</b>	<b>7,500</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Earmarked Reserves</b>						
<b>Miscellaneous Reserves:</b>						
LABGI	0	192	192	0	0	0
Contingencies	1,000	730	1,000	750	500	500
Berkshire Liabilities	400	440	400	200	100	0
Future Debt & Cap reqmnts	3,096	4,016	3,497	3,000	1,500	1,500
Stat Prop Funct & Landlord duties	300	605	300	300	300	300
Financial System Upgrade	200	300	400	0	0	0
PFI Unitary	1,407	1,498	1,498	1,498	1,498	1,498
Harmonisation	250	400	50	0	0	0
LSP Management	0	16	16	0	0	0
Economic Risk and Transformation	500	2,699	3,000	3,000	2,000	1,000
Learning Disability Transfer	0	113	158	750	1,500	0
Organisational Change	0	750	1300	750	750	750
ECS Social Workers Laptop	0	30	30	0	0	0
Berkshire SRG	0	156	156	156	0	0
School Places	300	530	530	530	530	0
Looked After Children	0	646	0	0	0	0
Heathrow rail link reserve	0	30	105	105	105	105
Events	0	30	30	30	30	30
Community Cohesion	0	75	0	0	0	0
Safeguarding and Adoption	0	0	190	190	0	0
Alley gating reserve	0	0	90	60	30	0
Organic Income	0	0	35	0	0	0
Concessionary Fares	0	0	100	0	0	0
Waste Disposal	0	0	150	0	0	0
Information Governance	0	0	50	0	0	0
GIS	0	0	75	0	0	0
Increased collection	0	0	120	0	0	0
Traffic Signals energy	0	0	65	0	0	0
<b>Total Miscellaneous Reserves</b>	<b>7,453</b>	<b>13,256</b>	<b>13,537</b>	<b>11,319</b>	<b>8,843</b>	<b>5,683</b>

	2011/12			2012/13	2013/14	2014/15
	Committee Approved	Jan 12 Position	Projected Position	Projected Position	Projected Position	Projected Position
Community & Wellbeing	0	148	0	0	0	0
Ed & Ch Schools - Oracle	0	0	0	0	0	0
Education & Children	0	314	0	0	0	0
Green & Built	0	360	0	0	0	0
Resources & Regeneration	0	285	0	0	0	0
Improvement and Development	0	34	0	0	0	0
<b>Total Grants Reserves</b>	<b>0</b>	<b>1,141</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Housing Benefits	0	394	394	394	394	394
Department Services	0	0	0	0	0	0
Capital Reserves	0	1,287	1,053	1,053	1,053	1,053
Insurance Reserves	375	516	750	750	750	750
<b>Total Earmarked Reserves</b>	<b>7,828</b>	<b>16,594</b>	<b>15,734</b>	<b>13,516</b>	<b>11,040</b>	<b>7,880</b>
Trading Accounts	85	0				
<b>Total General Fund Reserves</b>	<b>13,301</b>	<b>22,978</b>	<b>23,234</b>	<b>21,516</b>	<b>19,040</b>	<b>15,880</b>