

## SLOUGH BOROUGH COUNCIL

**REPORT TO:** Cabinet **DATE:** 18<sup>th</sup> November 2013  
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**WARD(S):** All  
**PORTFOLIO:** Cllr. Rob Anderson; Lead Commissioners for Finance & Strategy

### PART I KEY DECISION

#### REVENUE BUDGET 2014-15 – PROPOSED SAVINGS

1 **Purpose of Report**

To request approval for the first tranche of savings proposals that support the 2014-15 Revenue Budget.

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

The Cabinet is requested to resolve that the savings set out in Appendix A be included in the Revenue Budget 2014-15 to be approved by Council in February, subject to any further adjustments.

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

The Slough Joint Wellbeing Strategy (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

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

This paper assists in the achievement of the all of the Sustainable Community Strategy's priorities.

Priorities:

- Economy and Skills
- Health and Wellbeing
- Regeneration and Environment
- Housing
- Safer Communities

3b **Corporate Plan 2013/14**

The Plan's objectives are:

1. Improve customer experience
2. Deliver high quality services to meet local needs
3. Develop new ways of working
4. Deliver local and national change
5. Develop a skilled and capable workforce
6. Achieve value for money

The Plan includes targets for each of the objectives. This report helps achieve all of the above objectives by providing an overall financial strategy to support the delivery of the Corporate Plan.

#### 4 **Other Implications**

##### (a) Financial

Detailed within the report.

##### (b) Risk Management

<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	A modest number of posts will be affected by changes proposed. These will be managed through the council's restructure, redundancy and redeployment policy and procedure	None
Equalities Issues	To be assessed per each proposed saving	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery	April 2014	Decisions that could bring savings proposals forward
Project Capacity	None	None
Other	None	None

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

The Council has a number of statutory functions to perform. Any savings must not undermine the Council's responsibilities to provide minimum levels of provision in key areas. This first tranche of proposals for 2014 – 2015 does not recommend any savings that will affect the council's ability to carry out its statutory functions.

However, Members should be mindful of the cumulative year on year effects of savings and reductions in services and continue to make assessments of the impact on statutory functions.

(d) Equalities Impact Assessment

Equalities Impact Assessments will require completion prior to final agreement of savings proposals. Proposals which are 'disinvestment' or a genuine reduction in service will require careful examination to ensure no group is disproportionately affected.

Members may have to consider making provision to fund any mitigation arising from detailed analysis of Equalities Impact Assessments.

(e) Workforce

The proposed savings have a relatively low impact on staffing, with fewer than 20 staff affected. The Council has a number of measures to mitigate against compulsory redundancies including;

Developing staff skills to redeploy to alternative roles.

Obtaining staff savings from deletion of vacant posts.

Opportunities for Voluntary Redundancies.

## 5 Supporting Information

### 5.1 **Background**

5.1.1 The Council continues to operate in a difficult financial climate. Significant constraints on funding from Central Government remain, and are likely to be in place for at least the period of the Medium Term Financial Strategy (MTFS).

5.1.2 This paper provides an update to the Council's response to the funding gap for the 2014-15 financial year and identifies the initial tranche of savings proposed to be included in the Revenue Budget 2014-15 report to approved by Council in February.

### 5.2 **Current Medium Term Financial Position**

5.2.1 The table below highlights the current overview of the Medium Term Financial Strategy (MTFS). The previous report to Cabinet, in July 2013, highlighted some of the further detail behind the MTFS assumptions. Some of these have changed and where significant, further information is provided below on these:

2013-14	Funding	2010-11 equivalent	2014-15	2015-16	2016-17	2017-18
42.29	Council Tax		43.06	44.31	45.20	46.11
26.23	Retained Business Rates		28.06	28.90	29.76	30.66
39.76	Revenue Support Grant		32.23	23.34	18.67	14.93
2.11	Education Services Grant		1.64	1.05	0.89	0.76
1.84	NHS monies to support Social Care		1.93	1.84	1.84	1.84
1.76	New Homes Bonus		2.06	1.73	2.33	2.33
0.26	Other non-ringfenced grants		1.03	0.83		
	Collection Fund		1.00			
114.25	<b>Total Budgeted income</b>		<b>111.00</b>	<b>101.99</b>	<b>98.69</b>	<b>96.63</b>
	Prior year baseline baseline		114.25	111.00	101.99	98.69
	Base budget		2.50	2.00	2.00	2.00
	Directorate Pressures		6.51	1.89	2.92	1.86
	Revenue impact of Capital investment			1.00	1.00	
	Other adjustments		-0.08	-0.15		
	Savings identified		-9.08	-5.00	-0.86	-0.86
	Savings to be identified		-3.10	-8.76	-8.36	-5.07
0	<b>Net Expenditure</b>	<b>124.67</b>	<b>111.00</b>	<b>101.99</b>	<b>98.69</b>	<b>96.63</b>

### 5.2.2 Significant changes to assumptions:

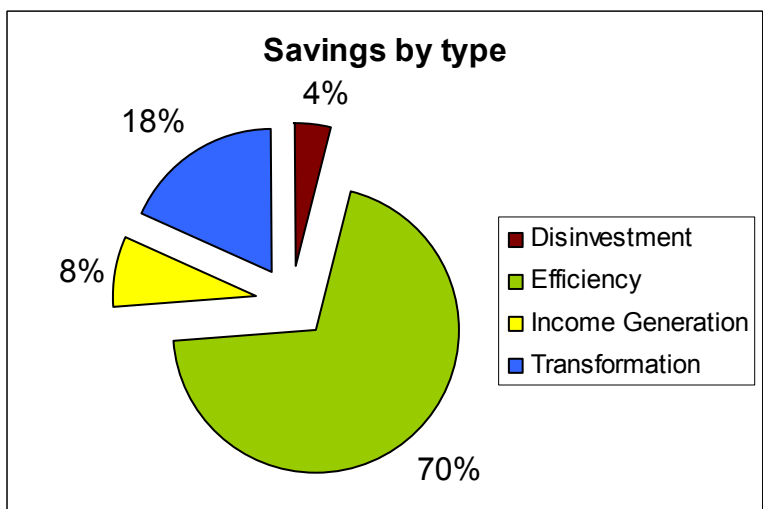
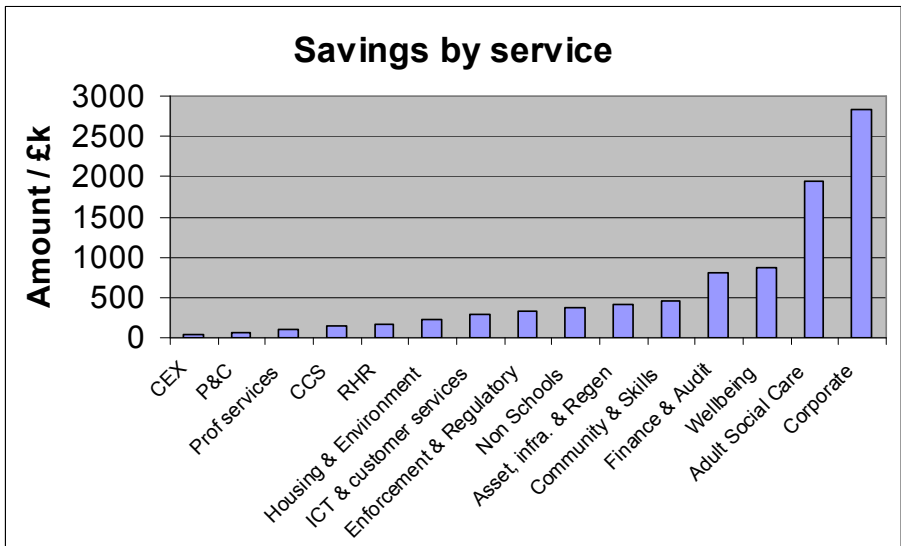
- Council Tax – an increase in Council Tax Base has been included within the MTF5 assumptions for 2014-15; this has increased the Council Tax expected income by £0.34m. This figure will be finalised once the Council submits its Council Tax Base assumptions in late 2013.
- Retained Business Rates – this figure has increase by just under £1m. This is due to an increase in the Council’s anticipated net collectable debit i.e. the total anticipated amount of business rates expected to be collected. This figure is subject to fluctuations. The final figure will be known once the Council produces its final ‘NDR1’ form in January 2014 and the Government clarifies some of its Business Rates assumptions as part of the Local Government Finance Settlement in December 2013.
- Revenue Support Grant – the latest assumption is a reduction of just under £0.6m compared to July following the Government’s Spending Review and associated finance consultations from the Department for Communities & Local Government (DCLG) in the Summer. This figure will be finalised as part of the Local Government Finance Settlement in December 2013.
- Other non ring-fenced grants – this has increased by almost £1.5m since the July assumptions. £0.45m of this was due to an assumed decrease in Revenue Support Grant or another Government grant as part of Spending Review; this reduction is shown now in the Revenue Support Grant line above. An assumption has also been made that the Council will receive £0.4m of Council Tax Freeze Grant for 2014-15, a New Homes Bonus adjustment grant of £0.399m and £0.2m of Local Service Support Grant. As per the above, these figures will be finalised as part of the Local Government Finance Settlement in December 2013.
- Collection Fund – this is showing a potential surplus of £1m at present. This is due to the increases in Council taxbase as well as on the net collectable debit for NDR. This figure is subject to significant change and will be regularly monitored in the coming months.
- Base budget – an increased pressure of £0.5m due to potential additional costs relating to auto-enrolment and non pay contractual increases due to current inflation levels.

- Directorate pressures – an increase of almost £3m. This is primarily due to increased cost pressures within the Wellbeing directorate and specifically within Children’s services. The accompanying Cabinet paper on the quarter 2 finance & performance of the Council highlights a pressure of £1.7m in Children’s services in the current financial year.

5.2.3 The net total of the above has been to increase the total savings requirement by approximately £0.5m. The Council has already identified £9.1m of this and appendix A provides further detail of where the current savings proposals are coming from.

### 5.3 Proposed savings

5.3.1 Appendix A details the full list of savings proposals for the year ahead. The table below highlights which area these savings are coming from and what type of saving they are:



## **5.4 Next Steps**

- 5.4.1 The current financial planning assumptions are based on best estimates at present. The Council is likely to be notified of the Local Government Finance Settlement in December and this is expected to detail the full range of monies to Council receives from Government. The Council will also be finalising its anticipated Council Tax base, Business Rates income expectations and Collection Fund by January 2014. Once all these figures have been finalised then the Council's net budget will also be finalised. This will then provide clarity around the required savings for the year(s) ahead.
- 5.4.2 In the next two months, the Council will be seeking to close the remaining savings gap by reviewing its financial assumptions, challenging future budgetary pressures and identifying future savings proposals to bring forward a balanced budget for the 2014-15 financial year and indicative savings plans for the future financial years contained within the MTFs.

## **6 Comments of Other Committees**

*n/a*

## **7 Conclusion**

The Cabinet are requested to note these savings proposals, and that these are likely to form the main basis of the savings for the 2014-15 revenue budget.

## **8 Appendices Attached**

'A' - Summary of current proposals

## **9 Background Papers**

'1' - Local Government Finance consultations – Summer 2013

'2' - Local Government Finance settlement 2013