

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council **DATE:** 18<sup>th</sup> February 2014

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**(For all enquiries)** (01753) 875358

**WARD(S):** All

### **PART I** **For DECISION**

#### **MEDIUM TERM FINANCIAL STRATEGY 2014-18**

##### **1 Purpose of Report**

The report details and seeks approval to the Medium Term Financial Strategy (MTFS) 2014-18 as set out at Appendix A of the report.

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

The Council is requested to resolve, subject to any amendments to the Strategy recommended by the Cabinet (to follow), that the MTFS 2014 – 18 as set out at Appendix A be approved.

##### **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	Will be detailed in the revenue budget for each applicable year	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. 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

**5 Supporting Information**

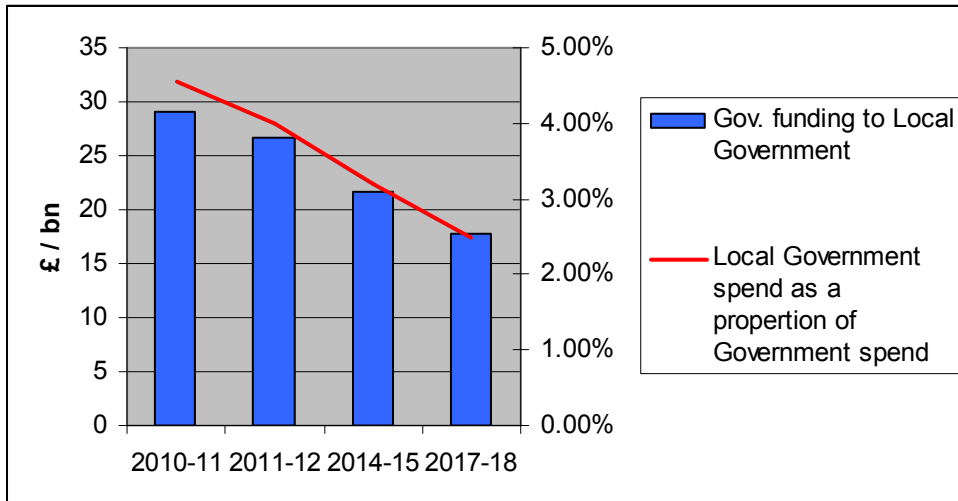
**5.1 Summary**

- 5.1.1 The Council continues to face a challenging funding environment due to the substantial changes to its core funding streams. The Medium Term Financial Strategy (MTFS) sets out the current financial position as well as estimating its future financial position. The MTFS reflects the need to continue to deliver public services but in a more joined up, effective and efficient manner.
- 5.1.2 The Council remains well prepared to meet the financial challenges it faces in the coming years, delivering a number of change projects whilst maintaining investment in its infrastructure through its capital programme.
- 5.1.3 This attached MTFS sets out the overarching framework for the Council. The other reports on this agenda; the Revenue Budget 2014-15, Capital Strategy 2014-19 and the Treasury Management Strategy 2014-15 provide the detail behind this. The Medium Term Financial Strategy, which accompanies this paper for approval, details the longer term financial challenges that the Council faces into the future years, whilst the capital strategy sets out the wider financial implications of decisions made in investing in the borough's infrastructure. The Treasury Management Strategy details how the Council will undertake transactions concerning investments and borrowings and this is contingent on the capital strategy as well as having an impact on the revenue budget savings proposals for 2014-15.

**5.2 The current financial situation**

- 5.2.1 Government spending on Local Government as a whole has reduced by 25% from 2010 to 2015 (as shown in the chart below) and the Council is currently in the middle of a long term process of contracting public sector spending. The Council's financial position must be considered with this in mind.

**Chart 1: Reductions in Local Government revenue spending: 2010-18**



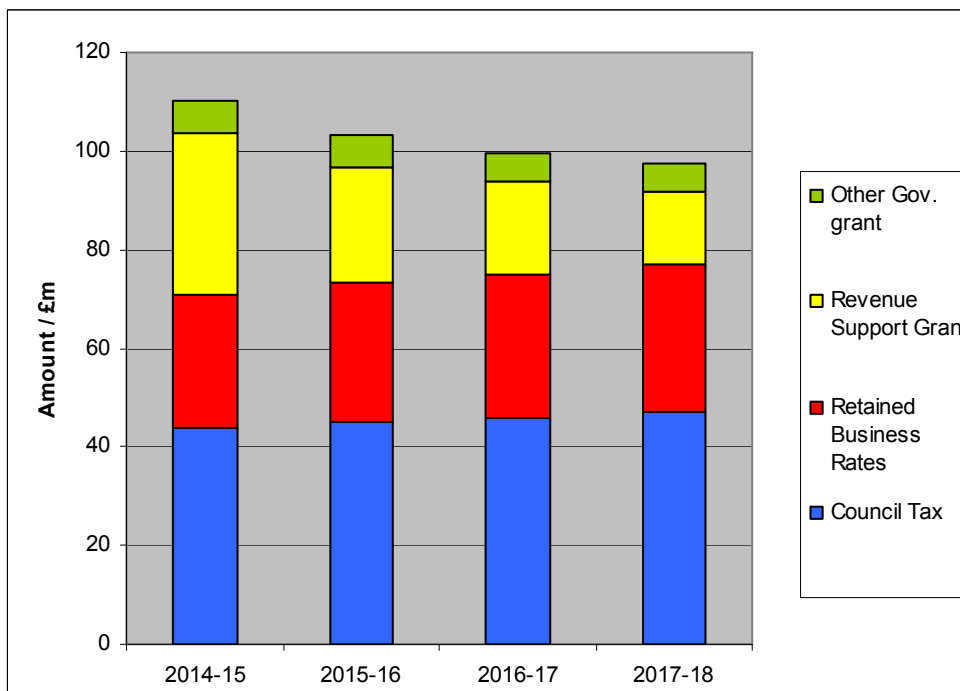
5.2.2 Since 2010 the Council’s net budget has reduced by 8% and by the end of the current MTF5 it is expected to have reduced by 22%.

5.2.3 The Council will continue to deliver capital investment throughout the period covered by the MTF5.

**5.3 How the Council finances its expenditure**

5.3.1 The Council is financed at present through three main sources of funding; Council Tax, Retained Business Rates and Government Grant. As shown below the overall income figure as well as the proportion of these income stands will be changing over the period of the MTF5.

**Chart 2: Income streams 2014-18**



- 5.3.2 In 2018, at the end of the current MTFS, the Council will be less reliant upon Government funding. It will provide an opportunity for the Council to have greater financial clarity about the future and enable greater planning for future years.
- 5.3.3 It is also clear that the Council will have significantly reduced funds going forward although many of the demands placed upon the Council will still remain. One of the key pressures that the Council faces concerns Children's Social Care and responding to the growing number of Looked After Children.

## **5.4 Strategy**

- 5.4.1 The period of the MTFS is likely to see a significant reduction in the Council's overall expenditure, whilst at the same time seeing a growing population base that the Council must provide services to. A period of transformation is required to ensure the two challenges are delivered.

## **5.5 Risk Management**

- 5.5.1 Ensuring that there is appropriate risk management is key to underpinning the success of the MTFS. The Corporate Risk Register currently includes delivering the MTFS as a key risk.

## **6 Conclusion**

- 6.1 This report sets out the Council's current financial position estimates the future financial position and sets out the Council Strategy to ensure the financial challenges are met.

## **7 Recommendations of the Cabinet**

The Cabinet will be considering this report at its meeting on 10th February 2014 and its recommendations will be circulated to the Council in advance of the meeting.

## **8 Appendices Attached**

'A' - Medium Term Financial Strategy 2014-18.