

**Cabinet – Meeting held on Monday, 10th February, 2014.**

**Present:-** Councillors Anderson (Chair), P K Mann, Munawar, Pantelic, Parmar, Sharif, Swindlehurst and Walsh

**Also present under Rule 30:-** Councillors Nazir and Strutton

**Apologies for Absence:-** None

**PART 1**

**79. Declarations of Interest**

None were declared.

**80. Minutes of the Meeting held on 20 January 2014**

**Resolved –** That the minutes of the meeting of the Cabinet held on 20<sup>th</sup> January 2014 be approved as a correct record.

**81. Finance & Performance Report: Quarter 3 2013-14**

The Assistant Director Finance & Audit introduced a report setting out the Council's overall performance from delivery of service to financial management covering the period up to and including December 2013. It was noted that an updated version of the report had been circulated which replaced the version in the Agenda.

An underspend of £0.003m was forecast as at month 9 which was a significant improvement on the month 8 forecast of a potential £0.363m overspend. This was due to the net result of an in-year savings initiative conducted in recent months to bring the Council's budget into balance and it provided a solid basis on which to build the budget for 2014/15. The Council had spent 28% of the available Capital Budget for 2013/14 and the latest projection for capital expenditure was £44.4m against a revised budget of £65.6m. It was reported that 79% of the balanced scorecard indicators for 2013/14 were 'green' with a further 17% 'amber'. In relation to the Council's six 'Gold' projects, three had an overall status of 'green' and three were 'amber'. Members were also asked to agree the write off requests as detailed in section 9 of the report.

The Cabinet welcomed the progress that had been made in bringing spending back in line with budget which would ensure there would be no call on reserves to meet any overspend. The write off requests were discussed and agreed as set out in the report. Members considered the update on the Better Care Fund (BCF) which had been circulated as an Addendum to the Medium Term Financial Strategy. The Cabinet were informed that the BCF would pool health and local authority budgets to integrate specified adult services which would help to improve services and increase both innovation and efficiency.

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Members recognised the important roles that the Slough Wellbeing Board and the Health Scrutiny Panel had and noted that a full report would be considered by the Cabinet on 14<sup>th</sup> April 2014.

### **Resolved –**

- (a) That the latest forecast financial information for the 2013-14 financial year be noted;
- (b) That the Council's performance against the balance scorecard indicators to date during 2013-14 be noted;
- (c) That the Council's performance on 'Gold' projects during 2013-14 be noted; and
- (d) That the write-offs detailed within the report be approved.

## **82. Medium Term Financial Strategy 2014-18**

The Assistant Director Finance & Audit introduced the Medium Term Financial Strategy (MTFS) 2014-18 and asked Members to recommend the document to Council.

The MTFS described the challenging funding environment facing the Council in the period to 2018 with Government spending on local government being reduced by 25% from 2010 to 2015 with further reductions anticipated in future years. The Council's reliance on Government funding was falling with a growing proportion of income from Council Tax and retained Business Rates. The Cabinet were informed that the Council's comparable budget would reduce from £124.7m in 2010 to £97.6m in 2018. Pressure on services would also increase during this period, partly due to the growing population of Slough. One of the key pressures was in Children's Social Care, and particularly the growing number of Looked After Children, for which an additional £3.3m had been made available for 2014/15 with further one off funding if required. The MTFS financial model in Table 3.1 set out the overall position and Members were advised that significant savings would need to be identified each year through to 2018, particularly in 2015/16 when £14.33m worth of savings would be required.

Members discussed a number of aspects of the MTFS including the impact of various scenarios as described in Table 3.3 and the Corporate Risk Register. The Cabinet recognised the importance of growing the Council's income from the Council Tax base and retained Business Rates, for example through housing and regeneration activity and by ensuring Slough continued to be a premier location for business. Commissioners also commented that despite falling budgets and service pressures, the Council could still make a difference by focusing on clear priorities as had been demonstrated in recent years. Following due consideration, the Cabinet agreed to recommend the MTFS to Council.

**Recommended –** That the Medium Term Financial Strategy 2014-18, as set out in Appendix A to the report, be approved.

### **83. Treasury Management Strategy**

The Assistant Director Finance & Audit introduced the Treasury Management Strategy 2014/15 which set out how the Council proposed to manage its total treasury risk of £285m in 2014/15.

Members were advised that any adjustments in interest rates could have a significant impact on the borrowing and investment position, however it was noted that the independent advice was that interest rates were expected to remain low in the coming year. The Assistant Director summarised the borrowing and investment strategies as set out in the document and drew Members attention to the proposals to diversify the Council's investment portfolio, whilst ensuring the appropriate balance between maximising investment income and minimising risk. It was projected that £1.3m of additional investment income could be achieved as a result of the opportunities set out in the strategy including investments in building societies, Registered Providers (formerly Housing Associations), and pooled funds.

Members commented that £125m of the total £182m of borrowing related to Public Works Loan Board loan to make payment to the Government to gain control of the Council's housing assets in 2011/12 as part of reforms to the HRA subsidy system. It was noted that this resulted in the Council receiving rental income and control of assets of 6,900 Council houses which brought with it greater freedoms and flexibilities in terms of managing the stock and bringing forward new development.

The Cabinet welcomed the new ethical investment policy as set out in section 16 of the strategy and the fact that the Council had now received 97% of its deposits in Icelandic banks. They discussed a number of other aspects of the Strategy including the links to the Capital Strategy and potential options to mitigate any future rises in interest rates on the Council's borrowings. Following due consideration, it was agreed to recommend the strategy to Council.

**Recommended –** That the Treasury Management Strategy for 2014/15, as set out in Appendix A to the report, be approved.

### **84. Capital Strategy 2014-19**

The Assistant Director Finance & Audit introduced a report which sought approval of the Capital Strategy 2014-19 and agreement to implement the Capital Programme 2014-15, subject to business cases.

Members attention was drawn to the core principles underpinning the strategy which set out the overall approach in terms of financial management and linkages to asset management, highways & transport plans. The capital

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strategy set out a series of projects totalling £147.7m over five years which included major investment in The Curve, housing and education provision. Capital costs for leisure provision were not included and would be subject to further reports to Cabinet at future meetings. It was noted that the total borrowing requirement during the period was £21.5m and the revenue financing required to support that borrowing was £1.2m. The Cabinet discussed a number of issues including the contribution the capital strategy was making to the Council's overarching objectives and regeneration of the town; and the increasing innovation in terms of delivering housing projects and the Slough Regeneration Partnership.

Members noted the Community Investment Fund (CIF) programme of £1.15m for 2014/15 as set out in paragraph 5.7.1 of the report. A list of the Members bids for the allocated resources of £65k were tabled which included a children's play area at Lascelles Park; improvements in Preston Park and Harvey Park; a Multi-Use Games Area for the Westfield estate in Colnbrook; and a pilot project for micro-allotment plots on undevelopable land. Commissioners supported these bids and noted that a report on CIF Outturn 2013/14 would be considered by the Cabinet at a future meeting.

### **Recommended –**

- (a) That the capital strategy of £147.7m, as set out in the report, be approved.
- (b) That it be noted that the costs of the capital programme to the revenue budget would increase by £1.2m per annum commencing during the period of the capital strategy to fund borrowing of £21.5m.
- (c) That the principles underpinning the capital programme, as set out in paragraph 5.1.2 of the report, be approved.

## **85. Revenue Budget 2014-15**

The Assistant Director Finance & Audit introduced a report which set out the proposed Revenue Budget for 2014/15 and sought Cabinet approval to recommend to Council.

The budget had been prepared in the context of a continued reduction in funding from central government, as confirmed in the Local Government Finance Settlement, as well as increased demand for Council services. The Cabinet considered the key elements of the budget including the proposal to freeze Council Tax, set Council house rents and approve the Business Rates Policy 2014-15. Members noted the directorate pressures for 2014-15 which included £3.3m additional revenue for Children's Social Care plus a further £2m one off contribution which was available if required. Commissioners commented on the £12.5m savings proposals and welcomed that the fact that to date most savings had been achieved through transformation of services and business efficiency. However, Members recognised that it would be

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increasingly difficult in future years to continue to identify savings in such ways.

The Business Rates Policy for 2014/15 was discussed and it was also proposed and agreed that the policy for 2015/16 be amended so that no charity or non-profit making body received more than 80% charity relief. Members emphasised the importance of clearly communicating the changes as soon as possible.

The Cabinet welcomed the work that had been undertaken to present a balanced budget which continued to achieve challenging savings targets whilst maintaining frontline services wherever possible. It was agreed to recommend the revenue budget to Council.

**Recommended –** That the Revenue Budget for 2014-15, as set out in the report and appendices, be approved.

### **86. Review of Asset Management Plan & Approval of Capital Disposal Programme**

The Interim Head of Asset Management introduced a report which sought approval for the Asset Management Plan (AMP) 2014-17 and associated policies.

The Cabinet were informed that the revised Asset Management Plan described how the Council should manage its assets as a Corporate Landlord. The key aims of the plan, as set out fully in paragraph 6.3 of the report, were highlighted and they included using the Council's assets to promote economic development and introduce a more proactive approach to estate management. There was a discussion about the proposed Disposal, Investment and Acquisition Policy and in particular the Compulsory Purchase Policy Statement which Commissioners welcomed and believed was a potentially useful option in unlocking development.

Members discussed a number of other specific aspects of the report including the list of possible future projects described in paragraph 10.8 of the Asset Management Plan. Following discussion about the Maria Cowland Hall site, which was identified for a small housing development, it was agreed to amend the Plan to keep open the option of a doctors surgery or other health related facility. With this amendment noted the Plan and associated policies and statements were agreed.

**Resolved –**

- (a) That the Asset Management Plan 2014-17, as set out in Appendix A, be approved, subject to an amendment to the table in paragraph 10.8 of the AMP that the Maria Cowland Hall site keep open the option of a health or medical related facility.

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- (a) That the potential use of CPO powers as described in Section 8 of the AMP be noted; the proposed CPO policy, attached as Appendix C be approved and a review of the policy every three years be agreed.
- (b) That the achievements summarised in section 6.2 of this report and the potential future regeneration projects outlined in section 10 of the AMP be noted.
- (c) That the summary of Key Actions described in Section 14 of the AMP be noted and approved.
- (d) That the role of the Corporate Landlord be noted, agree that all future Cabinet reports be amended to include a new section 3 (e) Property Implications and that all future reports with a property implication must be signed off by the Assistant Director Assets, Infrastructure and Regeneration.
- (e) That the emerging issues summarised in section 13 of the AMP be noted.
- (f) That the proposed Disposal, Investment and Acquisition Policy, attached as Appendix B to this report, be approved, and reviewed annually in line with the review of the Asset Management Plan.

### **87. Heart of Slough Masterplan - review of progress and implementation**

The Chief Executive introduced a report which updated the Cabinet on the progress of the Heart of Slough project and sought agreement to open discussions with interested parties to enable completion of the regeneration project.

Members noted that the Heart of Slough was a complex, long term project and welcomed the progress that had been made, especially in terms of implementing the infrastructure works totalling £17.5m; completing the new bus station; and beginning construction work on The Curve in January 2014. However, delivery on key private sector housing, office and commercial sites in the NE, SW and NW quadrants had not progressed, despite the fact that planning permissions for all key private sector developments in the Heart of Slough were in place. Members discussed the position in relation to these sites, particularly in the Thames Valley University site which was a crucial part of the proposed housing provision. The Cabinet therefore agreed to explore the options to enable completion of the sites, potentially including compulsory purchase.

Members discussed a number of other issues including engagement with businesses in the town centre through the work of the Town Team; car parking provision; and the cycle hire scheme. The Cabinet said they would welcome looking into whether the scheme could be extended into residential areas in future phases if there was sufficient demand.

**Resolved –**

- (a) That the progress made on the Heart of Slough project be noted.
- (b) That the opportunities be explored with interested parties regarding the purchase of land necessary to enable completion of the Heart of Slough regeneration project; reporting back to Cabinet with a financial options appraisal.
- (c) That the Strategic Director Regeneration, Housing and Resources, following consultation with the Leader and Cabinet Member for Neighbourhoods and Renewal, explore the use of compulsory purchase powers for the acquisition of all relevant property interests which are necessary to acquire to enable completion of the Heart of Slough regeneration project.

**88. References from Overview & Scrutiny**

The Cabinet considered two references from the Overview & Scrutiny Committee in relation to its scrutiny of the bus station project.

Commissioners were asked to consider establishing a cross-party group of Members to engage with officers and designers for all major projects; and that the Assistant Director Adult Social Care look into forming an umbrella group to represent the view of all disability groups in the Borough with whom the Council could consult.

The Cabinet considered both references and agreed with the Committee on the importance of ensuring strong engagement from both Members and disability groups at an early stage of major project development. However, they felt that existing structures and groups should be better utilised wherever possible. It was therefore agreed that Member involvement would be best done through the existing scrutiny structures, such as the use of task and finish groups, with major projects flagged up at the appropriate stage to ensure early involvement. In terms of disability groups, the Cabinet reaffirmed their commitment to effective engagement to be built into consultation plans and design competitions for such projects and that best practice from projects such as the Britwell regeneration should be incorporated.

**Resolved –**

- (a) That for all major projects undertaken by the Council, a scrutiny task and finish group be formed to engage with the officers and project designers at an early stage of design and construction; and
- (b) That effective engagement and consultation take place with disability groups across the borough in the future development of major projects undertaken by the Council, utilising existing forums and networks where possible.

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### **89. Notification of Forthcoming Decisions**

The Cabinet considered the most recently published Notification of Decisions which set out the key decisions expected to be taken in the period February to April 2014.

**Resolved** – That the published Notification of Decisions be endorsed.

### **90. EXCLUSION OF PRESS AND PUBLIC**

**Resolved** – That the Press and Public be excluded from the meeting during consideration of the item in Part II of the Agenda, as it involves the likely disclosure of exempt information relating to the financial and 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).

The following is a summary of the decisions taken in Part II of the agenda.

### **91. Plymouth Road Industrial Court**

The Cabinet agreed a course of action in relation to the head lease for the industrial units at Plymouth Road.

Chair

(Note: The Meeting opened at 6.35 pm and closed at 8.45 pm)