

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 19 December 2016

CONTACT OFFICER: Neil Wilcox - Assistant Director: Finance & Audit (Section 151)
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WARD(S): All

PORTFOLIO: Cllr Munawar: Leader and Commissioner for Finance and Strategy

PART I KEY DECISION

2017/18 GENERAL REVENUE BUDGET – TRANCHE 1 SAVINGS PROPOSALS

1 Purpose of Report

To recommend future savings proposals to be agreed by Council as part of the 2017/18 Revenue Budget process, in February 2017.

2 Recommendations

The Cabinet is requested to resolve that:

- (a) The savings previously considered by Cabinet in November 2015, set out in Appendix A, be approved and included in the Revenue Budget 2017/18 to be approved by Council in February.
- (b) The savings listed in Appendix B be approved and included in the Revenue Budget 2017/18 to be approved by Council in February .

3 Five Year Plan Outcomes

This report helps achieve all of the outcomes by forming part of the overall financial strategy to support the delivery of the five year plan.

4 Other Implications

(a) Financial

The whole report deals with financial issues.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	N/A	
Property		
Human Rights	N/A	
Health and Safety		

Employment Issues	To be determined through savings proposals	
Equalities Issues	EIA's will be completed before Council decisions in February 2017.	
Community Support		
Communications		Utilisation of the Budget Simulator to obtain residents' views and meetings between Finance Officers and local business groups.
Community Safety		
Financial	The overall savings requirement is based on the Medium Term Financial Strategy and the anticipated levels of future government funding. The government funding will continue to be closely monitored.	If the government provides additional funding for local authorities as part of the local government finance settlement 2017/18 the need to find savings reduces.
Timetable for delivery		Approval at this meeting will allow Service Areas more time to prepare for implementation to ensure full savings are capable of being achieved in 2017/18.
Project Capacity	Significant programmes of work are included to deliver the savings. The savings have been put forward by officers as their professional judgment indicates they are achievable and capable of implementation for 2017/18	
Other		

(c) Legal Implications

It is the responsibility of the Council's Chief Financial Officer, as defined by Section 151 of the Local Government Act 1972, to advise the council on the setting of a balanced revenue budget. The savings identified in this paper are recommended for approval as part of the achievement of that objective. Where the council does not set or deliver a balanced budget the Chief Financial Officer have powers as defined by Section 114 of the Act to ensure that the council takes action to produce a balanced budget.

(d) Equalities Impact Assessment

Individual savings items will have an EIA completed, where appropriate, in time for the final Council decision on 23 February 2017.

- (e) Workforce
There will be workforce implications but these will be finalised within the final budget proposals to be agreed at Council on 23 February 2017.
- (f) Property
Where appropriate, the proposals link with the Council's Strategic Asset Purchase Strategy, Slough Urban Renewal and the Council's Asset Challenge Process.

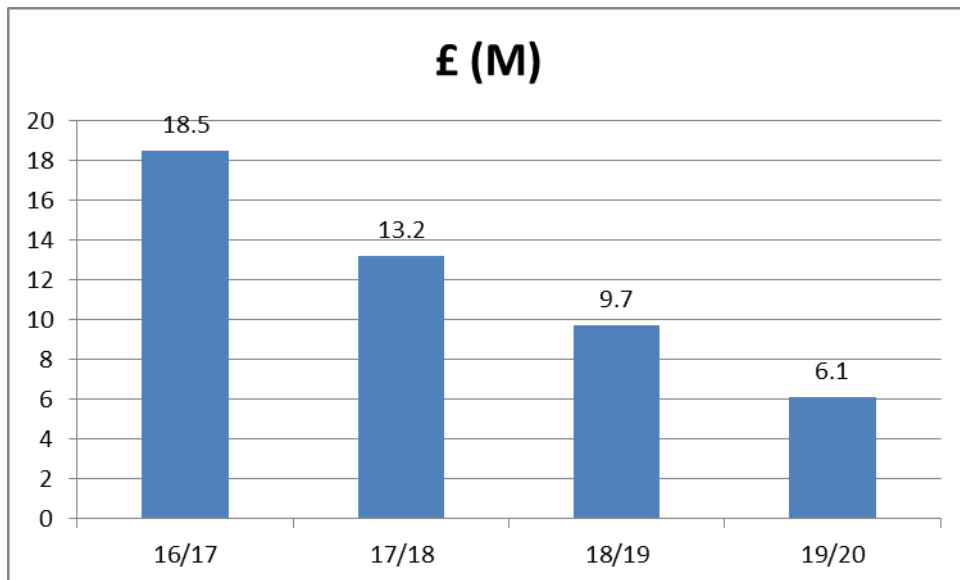
5 Supporting Information

History

Slough Borough Council, alongside all other local authorities, is being affected by severe financial constraints. Under the UK government's deficit reduction programme – intended to reduce the UK government's budget deficit – national funding for local government has significantly decreased. The local impact of these decisions has resulted in a 66.8% decrease in the amount of central government revenue support grant funding Slough Borough Council has received from £39.8m in 2013/14 to £13.2m in 2017/18.

In October 2016, the Council signed-up to the government's 'Efficiency Plan 2016-2020' whereby the Council agreed to the government's offer of minimum guaranteed funding levels (for the period 2016/17 to 2019/20) whilst also accepting that these funding levels will be significantly reduced - see Figure 1, below.

Figure 1 – Revenue Support Grant to Slough Borough Council



Current Year Position

For the current year (2016/17) the general Revenue Budget was set at £103.7m with an associated Council Tax, at Band D – the usual comparator, of £1,217.21 (a 3.75% increase on 2015/16).

The latest in-year budget monitoring report is showing a current overspend of £1.6m the majority of which relates to Adult Social Care. Service areas are working hard to contain any overspends before the financial year-end. Cabinet receives a monitoring

report every month for consideration and to ensure it is kept informed of officers' response to tackling any overspends.

2017/18 Budget Challenge

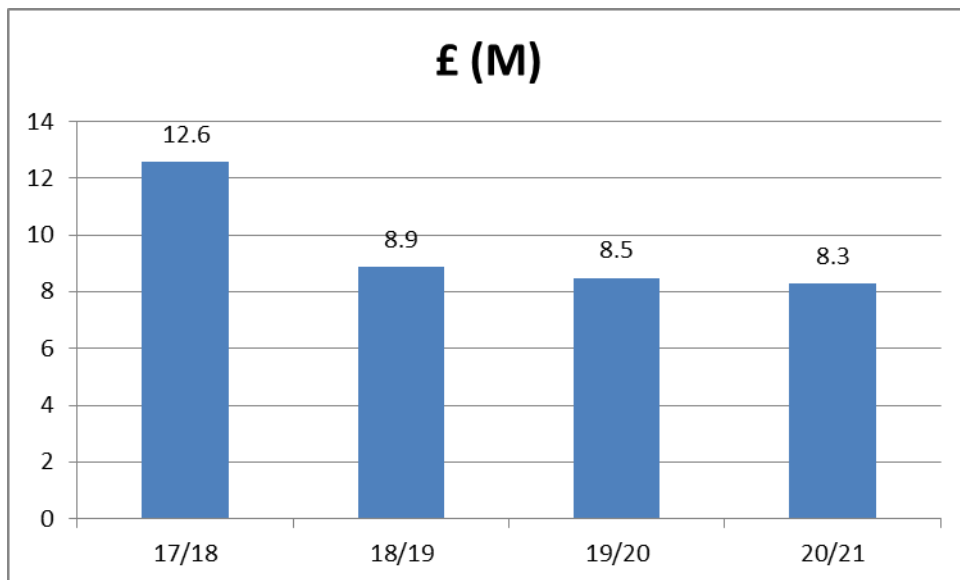
The main element driving the Council's future revenue budget going forward is the continual reduction in its Revenue Support Grant (RSG). The implications of this RSG reduction were reported to members in the Medium Term Financial Strategy report considered on 18 July 2016. Figure 2, below, shows the savings gap that was reported to that meeting, assuming a 3.75% increase in Council Tax (at Band D).

The local government provisional finance settlement 2017/18 is expected to be published before 23 December 2016. Although the minimum level of revenue support grant the Council will receive for 2017/18 has been 'guaranteed' at £13.180m, there are a number of particular issues that may be addressed in the publication, including:

- The continuing operation of the New Homes Bonus;
- Whether the government will provide any new revenue sources to address the national Adult Social Care funding concerns;
- The amount of Education Support grant to be paid to local authorities to cover the period April 2017 to August 2017.

A verbal update will be provided to Cabinet if the provisional settlement has been announced in advance of the December meeting. The Medium Term Financial Strategy will be updated, to take account of the provisional settlement, for the Cabinet meeting in January 2017.

Figure 2 – Medium Term Financial Strategy Four Year Savings Targets



The remainder of this report deals with savings proposals currently put forward by officers to address the anticipated £12.6m shortfall in 2017/18 and beyond. If all of the savings proposals contained within this report are agreed the estimated budget shortfall would reduce to £4.1m

Further savings proposals are currently being developed by officers. These will be submitted for approval at the January 2017 Cabinet meeting.

Work undertaken to date and issues for decision

During the Revenue Budget 2016/17 process, a number of savings were identified that could be implemented in 2017/18, as reported at the November 2015 Cabinet meeting. These savings have now been reviewed again, as part of the 2017/18 Revenue Budget process, and those that are still relevant are included as Appendix A of this report with the recommendation that Cabinet approve that they be included in the Revenue Budget 2017/18.

Further, additional savings proposals have been identified by officers that could be implemented for 2017/18. These are shown at Appendix B. Cabinet is recommended to approve that they be included in the Revenue Budget 2017/18.

6 Conclusion

The result of the work to date is that, if Cabinet approves the savings proposals submitted to this meeting, the forecast budget shortfall of £12.6m will be reduced by £8.5m to £4.1m. This estimated shortfall will need to be addressed before the Full Council meets to agree the Revenue Budget 2017/18 on 23 February 2017.

7 Appendices Attached

- A List of savings previously considered by Cabinet in November 2015 for approval at this Cabinet meeting.
- B List of new savings for approval at this Cabinet meeting.

8 Background Papers

- '1' 2016/17 Full Council Budget papers

Slough Borough Council

Appendix A

Savings Previously Considered by Cabinet in November 2015

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000		
46	7	RHR	Finance & Audit	NW	5				Increased recharges to the Slough Urban Renewal: Requesting the SUR Board to pay more for SBC's costs in respect of providing accountancy services. With Further schemes coming on board this is justifiable.	N
47	7	RHR	Assets, Infrastructure and Regeneration	SG	1,239	2,125	2,292	0	One-off profit from Slough Urban Renewal schemes	N
50	7	RHR	Finance & Audit	NW	165	175	0	0	Mortgage Deposit Scheme: Whereby the Council puts deposits on mortgages for residents of 30% and receives a rental return on this investment. The Council will also receive the capital appreciation.	N
54	None	RHR	Facilities	CD	10	10	10	0	Additional income from the maximisation of the use of office space.	N
55	None	RHR	Facilities	CD	5	5	5	0	FM Contracts Review	N
70	None	CCS	Learning and Community Services	PW	104				Reduction in overhead costs following the library service being brought "in house".	N
Total Savings					1,528	2,315	2,307	0		

Slough Borough Council

Appendix B

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
4	1	CCS	Learning and Community Services	PW	11				Expansion of Apprenticeship Scheme attracting additional SFA funding.	N
5	1	CCS	Learning and Community Services	PW	10				Adult learning and skills - reduction in data and performance information	Y
8	1	CCS	Public Protection	GdH	5				Cost Recovery of Regulatory Advice with extension of Primary Authority partnerships(PA)	N
10	2	RHR	Housing and Environment	PT	50				Temporary Accommodation - Aim to reduce staffing costs by transferring some of these to the subsidiary housing company	N
11	2	RHR	Housing and Environment	PT	114				Home improvements- Income generation from fees	N
12	2	RHR	Housing and Environment	PT	100				Savings from sourcing temporary accommodation through the activity of the subsidiary housing company.	N
13	2	RHR	Housing and Environment	PT	6				Home Improvements and Strategic Housing - Capitalisation	N
18	4	CCS	Public Protection	GdH	10				Additional income generation from the switch of alarm monitoring of Corporate Landlord property alarms to CCTV Control Centre and other services	N
19	4	CCS	Public Protection	GdH	30				Domestic Abuse Contract re -commissioning and review of DA service delivery	Y

Slough Borough Council

Appendix B (Cont.)

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead					Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
29	5	CCS	Learning and Community Services	PW	3				Cease membership of Education Library Service (membership paid under Cambridge contract). Service Development Manager currently sits on the Board.	Y
30	5	CCS	Learning and Community Services	PW	12	9	4	0	Phased reduction in support to a series of activities that include summer and half term activities for all ages in targeted neighbourhoods delivered through a number of community centres.	Y
32	5	Wellbeing	Public Health	AS	156				Review and reduction of Public Health Contracts	N
37	6	Wellbeing	Adult Social Care	SB	44				Use of Telecare and Equipment to reduce Personal Budget Levels	N
39	6	Wellbeing	Adult Social Care	SB	200				Continuing Health Care (transfer of funding responsibility from NHS)	N
40	6	Wellbeing	Adult Social Care	SB	220				Re-assessments to reduce Personal Budget levels	N
41	6	Wellbeing	Adult Social Care	SB	250				Housing related support review	N
42	6	Wellbeing	Adult Social Care	SB	150				Voluntary sector strategy planned funding reduction	N
43	6	Wellbeing	Adult Social Care	SB	300				Adult Social Care Restructure	Y

Slough Borough Council

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Appendix B (Cont.)

Ref	Outcome	Directorate	Service	Service Lead	17/18	18/19	19/20	20/21	Savings Item	Possible Staffing Impact
					£'000	£'000	£'000	£'000		
44	6	CCS	Public Protection	GdH	10				Increase in income	N
49	7	RHR	Finance & Audit	NW	50	50	50	0	Increased treasury mgmt. Returns & repayment of £4m loan in 2016-17.	N
52	7	CCS	Planning and Building Control	SD	11	11	11	0	Reduction in subsidy through additional income from pre-application and increased planning application numbers off the back of the local plan review/growth agenda.	N
53	7	CCS	Planning and Building Control	SD	4	4	0	0	Savings from reducing specialist consultancy support by training existing staff to undertake both petroleum licensing and environmental permitting.	N
59	None	CCS	Public Protection	GDH	5				TRADING STANDARDS - Partnership with approved trader scheme	N
65	None	CCS	Planning and Building Control	SD	3	2	3		Re-negotiate landfill monitoring contract and reduce scope to statutory minimum for Kennedy Park.	N
74	1	RHR	Transport and Highways	SdC	524				Capitalisation of Highway Maintenance from D412 and D458	N
75	1	RHR	Transport and Highways	SdC	150				Replacement of council fleet and hire vehicles through capital investment (invest to save) resulting in reduced maintenance and reduced hire costs. Increase in charges for Community Transport hire charges for third party's as part of income generation.	N
76	1 & 3	RHR	Transport and Highways	SdC	250				Reduction in Revenue budget as a result of new street lighting contract including further energy savings, reduction in scouting and reduction in cleaning of lanterns.	N

Slough Borough Council

Appendix B (Cont.)

Savings Proposals - Existing savings for approval at this cabinet

Cabinet: 19th December 2016

2017 - 2021

Ref	Outcome	Directorate	Service	Service Lead	17/18	18/19	19/20	20/21	Savings Item	Possible Staffing Impact
					£'000	£'000	£'000	£'000		
77	1 & 3	RHR	Transport and Highways	SdC	100				Reduction in management costs for the current professional services contract.	N
78		CCS	Wellbeing & Community Services	KG	50				Community & Skills restructure 2015/16 – removal of service transition budgets	N
79		CE	Professional Services	SN	50				Reduction in budget lines across HR service area.	Y
80		Corporate	Below the Line	NW	3,300	-3,300			2017/18 SUR: One off profit dividend Re: Wexham Nursery	N
81		Corporate	Below the Line	NW	150	-150			2017/18 SUR: One off profit dividend Re: Alpha Street	N
82		Corporate	Below the Line	NW	550	-550			2017/18 SUR: One off profit dividend Re: Upton Road	N
83		Wellbeing	Adult Social Care	AS	100				Mental Health reviews to reduce Personal Budgets levels	N
84		Wellbeing	Adult Social Care	AS	30				Fees and charges increase for client contributions	N
Total Savings					7,008	-3,924	68	0		