

## **Cabinet – Meeting held on Monday, 19th December, 2016.**

**Present:-** Councillors Munawar (Chair), Hussain (Vice-Chair), Ajaib, Bal, Matloob, Sharif and Sohal

**Also present under Rule 30:-** Councillors Amarpreet Dhaliwal, Anderson, Bains, Nazir, Pantelic, Plenty, Rasib, A Sandhu, Shah, Swindlehurst and Wright

**Apologies for Absence:-** None.

### **PART 1**

#### **75. Declarations of Interest**

Councillor Bal declared that his daughter worked for Slough Borough Council.

#### **76. Minutes of the Meeting held on 21st November 2016**

**Resolved –** That the minutes of the meeting of the Cabinet held on 21<sup>st</sup> November 2016 be approved as a correct record.

#### **77. Leisure Strategy Capital Development Programme: Langley Leisure Centre and Salt Hill Leisure Facility**

The Commissioner for Environment & Leisure introduced a report that sought approval for the refurbishment of Langley Leisure Centre and the Salt Hill leisure facility. The proposals were in line with the Leisure Strategy to help increase people's activity and improve health as part of wider renewal of the Council's leisure facilities.

Langley Leisure Centre had been built in 1997 and was in need of a substantial refurbishment to continue to offer swimming and leisure provision to a wide catchment. The Salt Hill Park facility would be handed back to the Council at the end of the leisure contract with the current provider on 31<sup>st</sup> May 2017, and would form part of the scope and portfolio of facilities for the new operator from 1<sup>st</sup> June 2017. The facility would be returned to the Council as an empty shell and an options appraisal had been conducted on the most appropriate facilities mix for the site to encourage greater participation and physical activity, especially for children and families. The Cabinet was informed that consultation had been undertaken on the facilities mix and received a presentation on the emerging proposals which included four lanes of ten pin bowling, soft play, a trampolining zone, Ski-Plex and a gaming zone. The concept would be further refined to meet the strategic objectives for the site.

The financial implications were considered and it was noted that the total capital cost of both schemes would be £14.6m. There were no ongoing revenue costs to the Council, apart from the borrowing costs. The Cabinet

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was informed that from year four there would be a net revenue benefit in excess of £1m per annum compared to the current position when the wider refurbishment of leisure facilities was completed in 2018 and when the new leisure provider was in place from 1<sup>st</sup> June 2017.

Commissioners welcomed the proposed investment to further enhance Slough's leisure offer and promote the strategic objective to get more people, more active, more often. The future revenue benefits were also noted, and a number of points were clarified about the financial and contractual arrangements. It was confirmed that the new leisure provider would operate and maintain the modernised and improved facilities, minimising any future costs to the Council, and the new contract would be structured differently to the model currently in operation. The Section 151 Officer confirmed that there would be some new borrowing to finance the work and that the business case and risks had been fully assessed prior to recommending the proposal to Cabinet.

The timetable for the works was discussed and Commissioners emphasised the importance of minimising periods of closure for the facilities, particularly in view of the current closure of the ice arena for refurbishment. Speaking under Rule 30, Councillors Plenty, Amarpreet Dhaliwal and Anderson all expressed concerns about the disruption to facilities, particularly the stated 65-week closure of Langley Leisure Centre. Officers confirmed that discussions were ongoing with the contractor, Morgan Sindall, to seek to reduce the refurbishment period and phase the works to minimise periods of closure. The timetable would be refined as part of the detailed programme development and it was agreed that the current project plan for the leisure strategy would be made available to Members. Councillors Swindlehurst and Plenty also commented on the facilities mix at Salt Hill Park, notably the provision of trampolining and the gaming zone. It was responded that the aim was to provide a mixed use facility on the site that was suitable for young people and families that encouraged participation in a range of different activities.

At the conclusion of the discussion the Cabinet agreed to the refurbishment of Langley Leisure Centre and the concept of changing the facilities mix at the Salt Hill leisure facility as proposed.

### **Resolved –**

- (a) Langley Leisure Centre – That the proposals for the facilities extension, design, facility mix and timescales for delivery of the development be agreed.
- (b) Salt Hill leisure facility – That the proposals for the change of use and facility mix and timescales for delivery be agreed.
- (c) That the funding packages, amounting to £14.6 million for both schemes be noted and agreed.

**78. Reconfiguration of the Borough's Activities Offer for People with Learning Disabilities**

A progress report was received on the reconfiguration of the borough's activities offer for people with learning disabilities since the Cabinet decision of 18<sup>th</sup> July 2016 to invest £826k capital into the Priors and Phoenix day centre buildings and to delegate authority to the Director of Adult Social Care to close the Elliman day centre building.

Individual reviews had taken place involving service users, their families and/or advocates to ascertain their wishes, interests and needs to determine the support best able to meet their needs. A breakdown of the outcome of the completed reviews was provided and Commissioners were assured that no service user would leave the day centre without a review and an asset based support plan. The Cabinet was also informed of the progress that had been made in enhancing the range of community based opportunities which included the Britwell hub, allotment behind the Britwell centre, sports taster sessions and plans to develop ice skating, swimming and assisting maintenance of the borough's parks. Work had also been initiated to offer learning and employment opportunities. As a result of the progress that had been made, the Director of Adult Social Care, following consultation with the Commissioner, had decided that the closure of the Elliman Centre from 1<sup>st</sup> January 2017 be approved.

The Health Scrutiny Panel had received a report on the reconfiguration at its meeting on 23<sup>rd</sup> November 2016 and made two recommendations to Cabinet about the enhancement of employment and community activities, both of which were considered and approved.

Commissioners considered a number of other issues including the ongoing relationships with people no longer in receipt of a building based service and the timetable for completing the reviews of service users. It was noted that service users would continue to be supported by staff, but that for some the setting would change from a centre based to community provision. There was regular informal engagement with service users outside of the formal review process, which would be completed in a timely manner. Councillor Bains asked a number of questions under Rule 30 which were responded to by Officers.

The Cabinet agreed to note the report, including the decision taken by the Director of Adult Social Care under delegated authority to close the Elliman Centre, and agreed the recommendations of the Health Scrutiny Panel.

**Resolved –**

- (a) That the report be noted;
- (b) That it be agreed that officers continue the work to reconfigure the borough's activities offer for people with learning disabilities; and

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- (c) That the decision of the Director of Adult Social Care, taken under the delegated authority given by Cabinet on 18th July 2016, to close the Elliman centre on the 1st of January 2017 be noted.
- (d) That the references from the Health Scrutiny Panel meeting held on 23<sup>rd</sup> November 2016 be endorsed:
  - i. That the Commissioner for Health & Social Care work with the Head of Adult Safeguarding and Learning Disabilities to explore further employment and apprenticeship opportunities for people with learning disabilities.
  - ii. That the Head of Adult Safeguarding and Learning Disabilities review the opportunities for residents to use Council facilities and open e.g. allotments.

### **79. Financial Report - Month 7 2016/17**

The Leader of the Council and the Assistant Director Finance & Audit introduced a report that updated the Cabinet on the forecast financial information to the end of October 2016 and sought approval for write offs and virements as detailed within the report.

There had been no significant change on the previous month in terms of the revenue position and the Council was forecasting an overspend of £1.596m. The main pressures were unchanged i.e. adult social care, homelessness and income from the strategic acquisition programme. Work was ongoing to address the overspend and it was anticipated that it would be reduced in future reports to the Cabinet. The Housing Revenue Account was showing a net surplus of £0.396m and the consolidated capital programme forecast net outturn was £78.032m (70%).

Speaking under Rule 30, Councillors Swindlehurst and Anderson both commented that the forecast revenue overspend remained high in comparison to previous years and expressed concern that a use of reserves in 2016-17 and one-off items to balance the 2017-18 budget would be seen as the Council failing to properly bring current spending under control. It was responded that the overspend was primarily due to demand led pressures in social care and homelessness and it was anticipated that future updates would reflect the action being taken to address the overspend.

The Cabinet considered the virement and write off requests set out in sections 8 and 9 of the report. The write offs totalled £1.086m, the majority of which was Business Rates caused by company liquidations. Commissioners discussed the actions undertaken to reduce write offs and assurance was provided that the Council's processes were sound and implemented as quickly as possible to maximise collection rates.

At the conclusion of the discussion, the Cabinet noted the report and approved the virement and write off requests.

**Resolved –**

- (a) That the current financial forecast at Month 7 and the ongoing work by departments to reduce the overspend be noted.
- (b) That the write offs detailed in section 9 of the report be approved.
- (c) That the virements detailed in section 8 of the report be approved.

**80. Council Taxbases for 2017/18**

The Leader of the Council and the Assistant Director Finance & Audit introduced a report setting out the Council taxbase for 2017-18 which needed to be set by 31<sup>st</sup> January. The taxbase had increased by 2.9% from 2016-17 with a net increase of 1,172.9 properties, and the Cabinet noted the taxbase calculations for the parishes and non-parish areas as set out in the report.

The Council was currently forecasting a Collection Fund deficit of £0.3m, which would be finalised for the budget setting period. In relation to Business Rates, the Council was yet to receive the NNDR1 form from the Department for Communities and Local Government and it was therefore proposed and agreed that the Section 151 Officer be given delegated authority to complete and return this form, following consultation with the Commissioner for Finance & Strategy. The Cabinet also considered and agreed that the level of Council Tax discount for second homes and long-term empty properties remained at 0%.

Speaking under Rule 30, Councillor Wright raised the issue of potential Council Tax increases and the value for money being provided to local taxpayers. The Leader responded that the level of Council Tax would be set by the Council in February 2017 and that he welcomed comments from all Members as part of the budget setting process.

At the conclusion of the discussion, the Cabinet agreed the recommendations as proposed.

**Resolved –**

- (a) That the level of council tax discount in respect of second homes remain at 0%.
- (b) That the level of discount in respect of long-term empty properties remains at 0%. With the charge of a 50% Empty Home Premium for on properties that have been empty longer than 2 years.
- (c) That the collection rate for the council tax for 2017/18 be set at 98.4%. This the same rate as for 2016/17.

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(d) In accordance with the Local Government Finance Act 2012 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012 the amount calculated by Slough Borough Council as its council taxbase for 2017/18 shall be:

i)	Parish of Britwell	840.7
ii)	Parish of Colnbrook with Poyle	1,866.4
iii)	Parish of Wexham	1,329.6
iv)	Slough Town	37,138.0
v)	All areas	41,174.7

(e) That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet due to any changes in Government guidance around this subject and the Collection Fund figures for distribution.

(f) That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet should any new property information become available and the Collection Fund figures for distribution require amendment.

(g) That the S151 officer be delegated with responsibility to set the Business Rates baseline following consultation with the Commissioner responsible.

### 81. Council Tax Support Scheme 2017-18

The Leader of the Council and the Assistant Director Finance & Strategy introduced a report which sought approval of the Council Tax Support Scheme for 2017-18.

There had been a major review of the scheme for the 2016-17 financial year and it was proposed that this scheme be continued for 2017-18, with the annual uprating of relevant premiums, applicable amounts, non-dependent deductions and appropriate welfare benefit changes. The Cabinet agreed the scheme as set out in Appendix A to the report, and noted that the scheme would be fully reviewed again for 2018-19.

#### Resolved –

(a) To continue with the Council Tax Support Scheme adopted by Slough Borough Council for the 2016-17 financial year and uprate the relevant premiums, applicable amounts, non dependant deductions and to reflect the changes in the housing benefits regulations as defined in the scheme in line with the statement from the Department of Work and Pensions (DWP).

(b) That the Council Tax Support scheme as detailed in appendix A to the report be approved.

**82. 2017/18 General Revenue Budget - Tranche 1 Savings Proposals**

The Leader of the Council introduced a report that sought approval for the first tranche of savings proposals to include in the revenue budget that the Cabinet would recommend to full Council on 23<sup>rd</sup> February 2017.

The continued substantial reductions in the Revenue Support Grant contributed to a budget gap projected to be £12.6m in 2017-18 and the proposals set out in Appendices A and B to the report would, if agreed, reduce this figure to £4.1m. Commissioners reviewed the savings proposed in the Appendices, which comprised of a number of savings previously identified by the Cabinet at its meeting in November 2015 set out in Appendix A, and additional savings identified by officers set out in Appendix B. Further savings proposals were currently being developed by officers and would be considered by the Cabinet at future meetings.

The Assistant Director Finance & Audit summarised the key aspects of the Local Government Finance Settlement, which had been announced since publication of the agenda. There was no significant new funding available to local government, and other measures included a transfer from the New Homes Bonus to adult social care funding and the council tax precept for care had been front-loaded with authorities given the ability to raise it by up to 3% in the next two years.

Speaking under Rule 30, Councillor Plenty queried whether the savings proposed in adult social care detailed in Appendix B would still be required if additional funding could be raised from the precept. It was responded that the savings were part of a four year transformation plan for the service and that there were significant pressures caused by increasing demand. The 2% care precept was included as a budget planning assumption and the Council would need to consider the possible further increase of 1%. Councillor Swindlehurst raised concern about closing the budget gap in 2017-18 from the proposed use of one off profit dividends from Slough Urban Renewal totalling £4m, rather than finding the savings required to balance the budget on an ongoing basis. These comments were noted.

At the conclusion of the discussion, the Cabinet agreed to include the first tranche of savings included in Appendices A and B to the report in the revenue budget to be recommended to full Council on 23<sup>rd</sup> February 2017.

**Resolved –**

- (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.

**83. Proposal to Establish Housing Company Group Structure**

The Commissioner for Housing & Urban Renewal introduced a report seeking approval to take the necessary steps to establish two subsidiary housing companies, Herschel Homes and the provisionally titled 'Slough Homes', to improve choice, quality and standards in the local housing market and to generate an income stream to contribute to the financial resilience of the Council.

Herschel Homes would focus on providing mainly new build properties for open market rent and 'Slough Homes' would provide affordable homes to a wide range of people to contribute to the Council's strategic objectives in relation to housing, for example assisting key workers and addressing temporary accommodation pressures. It was proposed to dispose of Pendeen Court and properties at High Street, Langley to Slough Homes to support the objectives of the company. The business cases for both companies, shareholder agreements and other supporting Part II appendices all contained exempt information and were considered by the Cabinet without disclosing any of the exempt information.

The financial implications were set out fully in section 4 of the report and in the appendices. The Cabinet was asked to recommend to full Council additional capital expenditure of up to £3.1m for 'Slough Homes' to acquire suitable properties and that £28m be allocated to Herschel Homes and £23.4m to 'Slough Homes' to 31<sup>st</sup> March 2019 to deliver the objectives detailed in the business plans.

Commissioners welcomed the proposals for both companies which had the potential to contribute to a range of housing objectives such as support for key workers and care leavers; address long standing issues with the provision of temporary accommodation; and generate revenue income for the Council. Councillors Amarpreet Dhaliwal and Swindlehurst spoke under Rule 30, raising a number of issues about the detailed governance arrangements; the financial profile and risks to the Council; and the balance between income generation and strategic housing objectives.

After due consideration, the Cabinet agreed the recommendations set out in the report to take the necessary steps to establish the two housing companies as proposed and to recommend the capital expenditure to full Council at the next meeting on 31<sup>st</sup> January 2017.

**Resolved –**

- (a) That the business plan for Herschel Homes, set out in Appendix One, which seeks to establish a company that will acquire, manage and lease new build properties for full market rent be approved.
- (b) That the business plan for Slough Homes be approved, as set out in Appendix Two, which seeks to establish a company that will aim to acquire, manage and lease existing properties in a manner that will

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provide an offering of homes for people facing particular difficulties in accessing suitable accommodation, possibly through cross-subsidy provided from homes let at market rents.

- (c) That it be noted that both Herschel Homes and Slough Homes will be companies that are limited by shares with the Council being the sole shareholder.
- (d) That the Head of Legal Services, following consultation with the Commissioner for Housing & Urban Renewal and Leader of the Council, be authorised to seek the incorporation or acquisition of companies to be wholly owned by the Council to operate under the names of Herschel Homes and Slough Homes and to complete all necessary procedures for this purpose.
- (e) Recommend to full Council that up to £3.1m of additional capital expenditure be incurred for Slough Homes to acquire suitable properties, which will be secured on property, and that £28m be allocated to Herschel Homes and £23.4m allocated to Slough Homes in the period to 31 March 2019 to acquire properties as set out in the business plan set out in appendices One and Two.
- (f) That authority be delegated to the Assistant Director Finance & Audit, following consultation with the Leader and Commissioner for Housing & Urban Renewal to approve the draft Heads of Terms for the Facility Agreement for the Council to provide loan and equity finance to Herschel Homes and Slough Homes and agree that the Assistant Director Finance & Audit, following consultation with the Leader of the Council is authorised to finalise the Facility Agreement and to enable up to £28m to be lent to Herschel Homes and £26.5m to be lent to Slough Homes in the period to 31 March 2019 and for a temporary cash facility of up to £50k to be available from the Council to the two Companies for the initial 18 months as 'working capital' (charged at the base rate plus 2%).
- (g) That the proposed governance arrangements for each company set out in Section 5 in this report and the Shareholder Agreement included as Appendix 7.4 be approved and authority be delegated to the Assistant Director Finance & Audit following consultation with the Head of Legal Service to complete the draft terms.
- (h) That the Assistant Director Finance and Audit and the Head of Neighbourhoods be authorised to agree prices for services provided by the Council (such as Housing, Property and Asset Management), between the Council and both housing companies.
- (i) That the Head of Legal Services, following consultation with the Strategic Director Housing, Regeneration & Resources in consultation with the Commissioner for Housing and Urban Renewal, be authorised to select an alternative company name for Slough Homes (which will be subject to availability at Companies House).

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- (j) That the disposal of the Housing Revenue Account (“HRA”) asset at Pendeen Court and General Fund asset at High Street, Langley to Slough Homes be authorised for a sum that represents no less than best value.
- (k) That delegated authority be given to the Assistant Director Assets, Infrastructure and Regeneration following consultation with the Leader, the Council’s section 151 Officer and the Head of Neighbourhood Services to agree the final valuation sum for Pendeen Court and High Street, Langley and agree all non-financial terms.

### **84. Proposal to Introduce an Asset Management Company**

The Commissioner for Housing & Urban Renewal introduced a report that sought approval to introduce a wholly owned Asset Management company to acquire, own and manage certain assets as part of the Council’s strategic acquisitions programme.

The Commissioner proposed a change to recommendation (a) to the report to clarify that the company would, if approved, own, manage and dispose of strategic assets in circumstances where the Council would borrow funds to acquire the asset whether it was located inside or outside of Slough. The Cabinet noted the legal and technical reasons for the establishment of a company, and also noted Part II Appendices One, Two and Three without disclosing any of the exempt information.

Speaking under Rule 30, Councillor Amarpreet Dhaliwal asked about the governance arrangements and the shareholder role; and Councillor Swindlehurst raised the issue of lending to the company and links to the Council’s Medium Term Financial Strategy.

The Cabinet agreed the recommendations to establish the company, including the change to recommendation (a) to clarify that company would used where the Council was borrowing funds.

#### **Resolved –**

- (a) That an Asset Management Company be developed, limited by shares and wholly owned by the Council, to acquire own and manage and dispose of strategic assets located inside and outside Slough when the Council is borrowing funds to acquire the assets.
- (b) That the proposed governance arrangements for the Asset Management Company including the Shareholder Agreement set out in Appendix Two to the report be approved.
- (c) That the Head of Legal Services, following consultation with the Commissioner for Housing & Urban Renewal and the Leader of the Council be delegated authority to develop Articles of Association and

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incorporate the Asset Management Company based on the content of this document and;

- (d) That Joe Carter, Assistant Director Assets, infrastructure & Regeneration be appointed as the founding director of the company in order to enable the company to be registered (as this requires at least one named director) and basics to be established (such as setting up banking arrangements).
- (e) That the Head of Legal Services, following consultation with the Commissioner for Housing and Urban Renewal and the Strategic Director Housing, Regeneration & Resources, be authorised to commence the incorporation of the Asset Management Company, select the company name in order to do so (which will be subject to availability at Companies House) and complete all necessary documentation as set out the report.
- (f) That the Assistant Director of Finance & Audit be delegated authority to develop the draft Heads of Terms for the Facility Agreement for the Council to provide loan and equity finance to the Asset Management company and following consultation with the Leader, be authorised to finalise the Facility Agreement and to enable all amounts agreed by full Council to be lent to the Asset Management Company.
- (g) That the Assistant Director of Finance & Audit be responsible for the Council's Shareholder function.
- (h) That the Assistant Director Finance & Audit be authorised to agree prices for services provided by the Council (such as Asset Management and Finance), between the Council and the Asset Management company.
- (i) That the request to provide an overdraft facility of £50,000 to establish the company, which will be repaid in 18 months from the company going operational, be approved.

### **85. References from Overview & Scrutiny**

There were no references from Overview & Scrutiny.

### **86. Notification of Forthcoming Decisions**

**Resolved** – That the published Notification of Decisions for the period between November 2016 to January 2017 be endorsed.

### **87. Exclusion of Press and Public**

**Resolved** – That the press and public be excluded from the meeting during the consideration of the item in Part II of the agenda as it involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority holding that information) as defined in

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paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

Below is a summary of the matters resolved during Part II of the agenda.

### **88. Part II Minutes - 21st November 2016**

**Resolved** – That the Part II Minutes of the Cabinet meeting held on 21<sup>st</sup> November 2016 be approved as a correct record.

### **89. Subsidiary Housing Companies Update - Appendices One to Seven**

The Cabinet had considered and noted Appendices One to Seven of the report on the establishment of two Subsidiary Housing Companies in resolving matters in Part I of the agenda without disclosing any exempt information.

### **90. Strategic Asset Purchases 2016/17 & Proposed Disposal of 204-208 High Street (former BHS store)**

The Cabinet agreed:

- That the strategic asset purchases made during 2016-17 be noted.
- That the disposal of 204-208 High Street (the former BHS store) on the terms set out in the Part II report be agreed.
- That the Strategic Acquisition Board be given delegated authority to acquire, manage and dispose of assets acquired via the strategic asset purchase scheme.

### **91. Proposal to Introduce an Asset Management Company - Appendices**

The Cabinet had considered and noted Appendices One to Three of the report on the establishment of an Asset Management Company in resolving matters in Part I of the agenda without disclosing any exempt information.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 9.05 pm)