

SLOUGH BOROUGH COUNCIL

REPORT TO: Council **DATE:** 21st February 2019

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WARD(S): All

PART I **FOR DECISION**

RECOMMENDATIONS OF CABINET, 4TH FEBRUARY 2019: **REVENUE BUDGET 2019/20**

1 Purpose of Report

To detail the overall Revenue Budget for 2019/20, including the associated growth and savings proposals and other related decisions that required for the Council to achieve a balanced budget for the year ahead.

The paper recommends a 2.8% increase in council tax required to fund the Revenue Budget for 2019/20. This would equate to a Band D property paying a Council Tax of £1,268.75, an increase of £35.09 from 2018/19. The Adult Social Care levy remains, at £98.23, the same as 2018/19 for a Band D property.

To approve the Council Tax for the year ahead, and the associated Council Tax notices and resolutions required as per various Local Government Finance Acts as detailed in Appendix F.

2 Recommendation(s)/Proposed Action

The Council is requested to resolve that the revenue budget 2019/20, as attached, be approved.

As the billing authority, approve the Council Tax amounts for each band in the borough including precepts from The Police and Crime Commissioner for Thames Valley Police and the Royal Berkshire Fire and Rescue Service the whilst noting that both are still to confirm their final council tax precept requirements;

Council Tax Resolution – In relation to the Council Tax for 2019/20

- (a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 2020 is as specified below and that the Council Tax be levied accordingly.
- (b) That it be noted that at its meeting on 18 December 2018 Cabinet calculated the following Tax Base amounts for the financial year 2019/20 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:
 - (i) 42,789.8 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax

Base) Regulations 2012 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2019/20; and

(ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2019/20:

a) Parish of Colnbrook with Poyle 1,923.3

(c) That the following amounts be now calculated for the year 2019/20 in accordance with sections 31A to 36 of the Act:

(i) £411,146,686 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2)(a) to (f) of the Act. (Gross Expenditure);

(ii) £352,551,190 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (3) (a) to (d) of the Act. (Gross Income);

(iii) £58,595,496 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement);

(iv) £1,369.38 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.

(v) That for the year 2019/20 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £102,583 representing the total of Parish Precepts for that year.

(vi) £1,366.98 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

Band	Slough Area £	Parish of Colnbrook with Poyle £
A	911.32	32.93
B	1,063.21	38.42
C	1,215.09	43.91
D	1,366.98	49.40
E	1,670.75	60.38
F	1,974.53	71.36
G	2,278.30	82.33
H	2,733.96	98.80

Being the amounts given by multiplying the amounts at paragraph c (iv) and c (vi) above by the number which, in the proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with section 36 (1) of the Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (viii) Calculate that the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) is £58,492,641.
- (ix) That it be noted that for the year 2019/20 the Thames Valley Police Authority precept has been increased by 13.2% in accordance with Home Office guidance in the provisional police grant settlement. The Police and Crime Panel are meeting on the 1st February to consider the PCP's precept proposals. The following amounts are stated in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £
A	137.52
B	160.44
C	183.36
D	206.28
E	252.12
F	297.96
G	343.80
H	412.56

- (x) That it be noted that for the year 2019/20 the Royal Berkshire Fire Authority has proposed increasing its precept by 2.99% in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Royal Berkshire Fire Authority £
A	44.19
B	51.55
C	58.92
D	66.28
E	81.01
F	95.74
G	110.47
H	132.56

These precepts have not been formally proposed or agreed by the Royal Berkshire Fire Authority and may be subject to further revision.

- (xi) Note that arising from these recommendations, and assuming the major precepts are agreed, the overall Council Tax for Slough Borough Council for 2019/20 including the precepting authorities will be as follows:

Band	Slough	Office of the Police and Crime Commissioner (OPCC) for Thames Valley	Royal Berkshire Fire Authority	TOTAL
	£	£	£	£
A	911.32	137.52	44.19	1,093.03
B	1,063.21	160.44	51.55	1,275.20
C	1,215.09	183.36	58.92	1,457.37
D	1,366.98	206.28	66.28	1,639.54
E	1,670.75	252.12	81.01	2,003.88
F	1,974.53	297.96	95.74	2,368.23
G	2,278.30	343.80	110.47	2,732.57
H	2,733.96	412.56	132.56	3,279.08

- (xii) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 2012 Act.
- (xiii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (xiv) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.
- (xv) That in the event that there are any changes to the provisional precept of the Fire Authority, arising from their precept setting meeting being held on 25 February, the Section 151 Officer is delegated authority to enact all relevant changes to the Revenue Budget 2019/20, Statutory Resolution and council tax levels.

Fees and Charges –

- (d) Resolve to increase the Council's fees and charges as outlined in Appendix E for 2019/20.

The Robustness Statement

- (e) Note the statutory advice of the Chief Finance Officer outlined in Appendix G, The Robustness Statement. This is required to highlight the robustness of budget estimates and the adequacy of the reserves.

Top-up funding for children and young people with special educational needs and disabilities

- (f) (a) Note the mechanism outlined in Appendix J to access top-up funding to support children and young people with Special Educational Needs which is currently under review.

(b) Note the move to adjust our local factors to 65% toward the National Funding Formula factors from 2019/20 as outlined in paragraph 5.4.1

Use of Flexible Capital Receipts –

- (g) Resolve to agree the Use of Flexible Capital Receipts Strategy outlined in Appendix K.

Pay Policy –

- (g) Note the Pay Policy Statement agreed at the Employment and Appeals Committee on 24th January 2019 as detailed in Appendix L.

Business Rate Pilot –

- (h) Agree to participate in the 2019/20 Berkshire Business Rates Pilot Scheme.

Court Costs

- (i) Agree:
 - (a) That the Court Costs associated with non-payment of Business Rates remain at the same level for 2019/20 as the current year.
 - (b) That the Court Costs associated with non-payment of Council Tax be increased to £144.95 in total for 2019/20.

Empty Property Relief

- (j) Agree:
 - (a) That the long term empty premium for properties that are empty for more than two years is increased from April 2019 to 100% thereby doubling the charge.
 - (b) That the long term empty premium for properties that are empty for more than five years is increased from April 2020 to 200%
 - (b) That the long term empty premium for properties that are empty for more than ten years is increased from April 2021 to 300%

Council's Public Room Booking

(k) Agree:

- (a) The proposed changes to the Council's Public Room Booking Policy and Terms & Conditions (Appendix M), as summarised in Section 8 of this report.
- (b) The updated pricing schedule (Appendix N), as summarised in section 8 of this report.
- (c) All users of our public buildings will be required to pay rates as per the updated policy and pricing schedule and that no exclusions will be made for any group, charity or other organisations without the consent of the Service Lead, Building Management in conjunction with the Council's S151 Officer.

Appendices Attached

- 'A' - Savings proposals (detailed savings proposals in Appendix Pack)
- 'B' - Growth (see Appendix Pack)
- 'C' - Reserves position
- 'D' - Collection Fund
- 'E' - Fees & Charges
- 'F' - Council Tax Resolution
- 'G' - The Robustness Statement
- 'H' - Specific Grants
- 'I' - HRA Rents and Service Charges
- 'J' - Top up funding for children and young people with special educational needs and disabilities
- 'K' - Flexible use of Capital Receipts Strategy
- 'L' - Pay Policy Statement
- 'M' - Public Building Facility Booking Policy (see Appendix Pack)
- 'N' - Public Building Facility Booking Policy – Updated Pricing Schedule
- 'O' - Equality Impact Assessments (see Appendix Pack)

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The report indirectly supports all of the strategic priorities and cross cutting themes.

3b Five Year Plan Outcomes

The report helps achieve the Five Year Plan outcomes by contributing to the Council's financial planning and ensuring the five outcomes are adequately resourced.

4 Other Implications

(a) Financial

Detailed within the report.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
<i>To approve the Council Tax for the year ahead, and the associated Council Tax notices and resolutions required as per various Local Government Finance Acts as detailed in Appendix G</i>	Council Tax collection targets not met	Monthly budget monitoring and quarterly reporting. Monthly monitoring of Arvato contract KPI's.	9	Continue robust budget monitoring – regular reporting to Cabinet and Council

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	A number of posts may be affected by changes proposed. If necessary these will be managed through the council's restructure, redundancy and redeployment policy and procedure.	None
Equalities Issues	Assessed for each proposed saving and included as Appendix K.	None
Community Support	None	None
Communications	None	None

Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery	Risk of overspend and making further savings elsewhere	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. The set of savings proposals for 2019/20 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. All the savings proposals included within this report will be closely monitored throughout the financial year and reported to Cabinet via the Quarterly Financial Monitoring reports.

(d) Equalities Impact Assessment

Equalities Impact Assessments have been undertaken for all savings proposals and where applicable are included in the final Council report.

(e) Workforce

Where necessary the Council has a number of measures to minimise 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

Introduction

5.1.1 Section 32 of the Local Government Finance Act 1992 requires the Council to calculate its budget requirement before 11 March; and Section 30 requires the Council to set amounts of council tax for each category of dwellings in its area by the same date.

5.1.2 The Council's Constitution requires, by 11 March, the Cabinet shall recommend to Council:

- The Revenue Budget and the level of Council Tax to be set for the following year.
- The cash limits for each Directorate.
- The capital programme, borrowing limits and the Prudential Indicators for the following five years.

- The Treasury Management Strategy for the year ahead.
- The annual recommended rent rise for the Council's Housing stock

Summary

- 5.2.1 2019/20 is set to be another difficult year financially for the Council, with a continued reduction in Government's Revenue Support Grant funding, as well as an increased demand for Council services. The Council has always sought to protect Council services whilst ensuring there is sufficient budget for the next financial year to deliver its key outcomes. The Medium Term Financial Strategy shows a balanced budget for the next three years.
- 5.2.2 There remain difficult years ahead for the Council due to the financial pressures that it faces, but the budget for the 2019/20 ensures that the Council's finances are based on solid footings for the future.
- 5.2.3 This paper sets out the revenue budget for 2019/20 and the associated plans and assumptions contained within it. The Capital Strategy, which accompanies this report for approval, sets out the wider financial implications of decisions made in investing in the borough's infrastructure. The Treasury Management Strategy, also on tonight's agenda, details how the Council will undertake transactions concerning investments and borrowings and relates closely to the Capital Strategy as well as having an impact on the revenue budget savings proposals for 2019/20.

Table 1: Funding summary

18/19		19/20	20/21	21/22
£'000		£'000	£'000	£'000
100,475	Base Position (Excluding Parish Precepts)	101,521	105,001	108,875
3,694	Base Budget Changes	3,694	3,140	3,140
2,845	Directorate Growth	8,099	3,918	1,725
250	Revenue Impact of Capital Programme	1,321	1,011	656
519	Slough Urban Renewal	2,739	750	750
(6,262)	Savings Identified	(12,373)	(4,945)	(2,996)
101,521	Total Forecast Expenditure	105,001	108,875	112,150
55,570	Council Tax Income	58,493	61,237	64,064
43,202	Retained Business Rates	42,395	45,340	46,180
2,749	New Homes Bonus	2,717	2,298	1,906
0	Additional Social Care Grant	1,396	0	0
101,521	Total Estimated Funding Available	105,001	108,875	112,150
0	CURRENT FUNDING GAP	0	0	0

Note 1 - Slough Urban Renewal refers to profit from company schemes less previous years profit assumed in the MTFs. For 2019/20 SBC share of Slough Urban Renewal profits are estimated to be £1.500m. These are offset by the one off SUR profits that are due to be received by SBC during 2018/19 resulting in a pressure totalling £2.739m.

Impact on Service Revenue Budgets

5.2.4 Table 2, below, highlights the changes to service budgets, and associated cash limits, as a result of all of changes detailed in the Revenue Budget 2019/20:

Table 2:

	2018/19	Base Budget Changes	Directorate Growth	Revenue Impact of Capital Programme	SUR Income	Savings Identified	2019/20
	£m	£m	£m	£m	£m	£m	£m
Adults and Communities	39.832	1.453	0.920	0.000	0.000	(0.905)	41.301
Children, Learning and Skills	30.223	1.102	2.700	0.000	0.000	(0.170)	33.856
Place and Development	25.193	0.919	2.450	0.000	0.000	(2.205)	26.357
Regeneration	(3.453)	(0.126)	0.409	0.000	0.000	(4.809)	(7.979)
Chief Executive	0.333	0.012	0.000	0.000	0.000	0.000	0.346
Finance and Resources	9.392	0.333	1.620	1.321	2.739	(4.284)	11.122
Budget Requirement	101.521	3.694	8.099	1.321	2.739	(12.373)	105.001

Income

5.3.1 The Council has the following main sources of income:

NNDR (Business Rates)

5.3.2 The amount of retained Business Rates is determined by the Council's best estimates of the amount it calculates it will receive for the year ahead. For 2019/20 the six Berkshire authorities have been accepted by Government to continue a Business Rates pilot scheme within Berkshire. This means, for 2019/20, Business Rate income will be retained within Berkshire; however, the six authorities will not receive Revenue Support Grant. There will be fundamental changes to the business rates system post 2020. Recent Government consultations indicate the system will give greater rewards to those authorities with business rates growth. Slough Borough Council uses external experts to forecast future business rates income and projections are included in the Medium Term Financial Strategy (MTFS) above.

Revenue Support Grant (RSG)

5.3.3 The Council ordinarily receives Revenue Support Grant (RSG) direct from Central Government. RSG funding is based on Central Government's expectations of what the Council should spend in line with the Government's deficit reduction plans.

5.3.4 As stated in 5.3.2, above, for 2019/20 the Council's RSG will be included in its pilot business rate scheme calculation.

5.3.5 The final 2019/20 local government finance settlement was approved by the House of Commons in January 2019.

- 5.3.6 There is a duty on Local Authorities to set a balanced budget under the Local Government Finance Act 1992. If the final settlement is delayed the Council is required to set a budget within the deadline by using the best available information. If there are any substantial changes in the amount of funding received by the Council at the final settlement, the Section 151 Officer will use reserves to balance the overall budget in consultation with the Leader and the Lead Member for Corporate Finance and Housing.

Council Tax

- 5.3.7 Another main source of Council income is derived from Council Tax receipts. The overall amount raised is based on the Council Taxbase (i.e. the number of properties in the borough) as per the report to Cabinet in December 2019 multiplied by the average band D Council Tax amount. For 2019/20 it is assumed there will be a 2.8% increase on the Council's element of the overall Council Tax. This increase will see a property in Band D's Council Tax rise from £1,233.66 to £1,268.75, an increase of £35.09. The Adult Social Care levy remains the same as that in 2018/19: £98.23 for a Band D property.

Specific Grants

- 5.3.8 The Council also receives income from specific Government grants and these are included in appendix H. The Council budgets for an anticipated nil net cost on these specific grants; i.e. that all expenditure will be contained within the income received from Government and that the local taxpayer does not fund these activities.

New Homes Bonus

- 5.3.9 New Homes bonus is a Government grant paid based on the cumulative growth in housing stock for the previous four years after allowing for a deduction where housing growth is less than 0.4%. The Council is expected to receive £2.717m in 2019/20 (£2.749m was received in 2018/19).

Collection Fund

- 5.3.10 The final factor to take into account, when determining the Council's overall levels of income, is the Collection Fund. This is a statutory account which details the actual income received in respect of Council Tax and retained business rates compared to the estimates made in January 2018 for the 2018/19 budget. At present this fund is anticipated to break even.

- 5.3.11 The total income available to the Council for the 2019/20 for its net budget is therefore £105.001m.

2019/20 Budgets for Schools, Academies and Free Schools.

- 5.4.1 The School funding formula factors for 2019/20 are different to those reported last year. Nationally, the Government remain committed to streamlining the Schools' budget setting process by introducing a National Funding Formula (NFF) by 2021/22, an extension of one year over the last annual report. The NFF is now being phased in over three years, with 2019/20 being the second year of this phasing. Local authorities have flexibility on how they approach this transition. Slough has taken a stepped approach and with the agreement of Schools' Forum has decided to adjust our local factors to 65% toward the NFF factors from 2019/20 (there was a 50% adjustment in 2018/19).

- 5.4.2 All pupil led factors continue to be protected by the Minimum Funding Guarantee (MFG) which ensures that no school loses more than 1.5% on a per pupil basis.
- 5.4.3 The Schools' Forum was advised of the estimated draft budget on the 16th January 2019. The Department for Education (DfE) expects local authorities to inform schools of their budget shares no later than 28th February each year.
- 5.4.4 The Early Years universal base rate is currently under consultation, with the implementation of the preferred option occurring after the Early Years task group concludes on the 7th Feb 2019. Slough Borough Council is proposing a £0.03 increase on the local offer for 3-4 year old children and £0.01 per hour for 2 year old provision based on the estimated uptake in 2019.20.
- 5.4.5 Current DfE regulations authorise local authorities to centrally retain up to 5% of the total 3-4 year old settlement to support the provision of statutory functions.
- 5.4.6 The High Needs block budget is currently being developed, however Schools' Forum have approved the centrally retained items for 2019.20 on the 16th January 2019. There are no changes to the overall cost compared with the previous year. Schools' Forum has also agreed to top-slice the High Needs Block by £0.776m; and transfer £0.5m into the schools' block and £0.276m into the Central Schools Service Block (CSSB).
- 5.4.7 The CSSB expenditure was approved at Schools' Forum on the 4th December, which includes the use of funds top-sliced from the High Needs Block. The CSSB block funds various statutory and regulatory functions undertaken by council officers, asset management, SACRE, Virtual Head, copyright licenses, and admissions.

Block	Settlement £m	Approved Adjustments £m	Total £m
Schools	132.014	0.500	132.514
Early Years	14.592	0.000	14.592
High Needs	23.588	-0.776	22.812
CSSB	0.654	0.276	0.930
Total	170.848	0.000	170.848

- 5.4.8 The mechanism to access top-up funding to support children and young people with Special Educational Needs is currently under review. Slough Borough Council officers are working with schools to produce a new matrix to access top-up funding. This has been approved by Schools' Forum. Any final decision on a new funded model will be subject to consultation with wider stakeholders. Appendix J provides further detailed information.

Expenditure

- 5.5.1 The Council's base budget for 2018/19 stood at £101.521m and it is against this figure that all adjustments are completed. The adjustments include:
- (1) Base budget **£3.694m** – these are movements due to inflationary pressures, pay award (assumed at 2% for 2019/20), incremental rises and other adjustments related to previous years and virements.

- (2) Growth **£8.099m** – these are the totals of funding increases across the council for 2019/20. Appendix B provides further detail.
- (3) Savings of **£12.373m** - these are the funding reductions or increases in income anticipated across the council following detailed review by service areas and include a contingency of £501k against the possibility of some of the savings proposals becoming unrealisable in-year. Appendix A provides further detail.
- (4) SBC share of Slough Urban Renewal profits – these reflect one-off profits due to be generated by SUR for the Council in 2019/20 **£1.500m** offset by the removal of one off SUR profits used to fund the 2018/19 revenue budget.

5.5.2 The scale of savings required is directly related to the continual need to increase the Council’s base budget, i.e. the structural costs of operating an organisation the size of the Council against a background of service pressures, new demands and the reduction in Government funding. Part of the overall cost rises are offset by growth in Council Tax income and / or retained Business Rates as well as any movements from other non-ring fenced grants and the Collection Fund.

Strategy

5.6.1 The Quarter 3 (Q3) revenue budget monitor report for 2018/19, also presented at Cabinet this evening, indicates a current overspend on this year’s budget of £2.448m. It is anticipated that this overspend will reduce to £2.121m (2.09% of the 2018/19 revenue budget) by year end.

5.6.2 Budget monitoring is undertaken on a monthly basis by the Council’s Corporate Management Team (CMT) and Directorate Management Teams (DMT). The Cabinet receives an update on a quarterly basis. Throughout 2018/19, a number of particular pressures on the Council’s budget have become apparent. Whilst some pressures have been managed during the current financial year it has become apparent that a number of particular pressures will require additional growth in 2019/20.

5.6.3 The Growth Proposals within this report contain the following amounts to address the particular funding pressures that are proving unresolvable during 2018/19:

2018/19 PRESSURES	£'000
Temporary Accommodation	750
Schools PFI	700
Educational Pyschologists	100
Waste Contract - Contractual Price Increase	1,550
Home to School Transport	500
	<u>3,600</u>

5.6.4 Following the multi-year settlement provided by government to Slough Borough Council from 2017/18, the Council agreed to provide similar financial certainty to the Slough Children’s Services Trust (SCST) on the amount it will provide as part of the Trusts’ Core Contract. The agreed levels of funding for 2018/19 and 2019/20 are shown below:

2018/19	2019/20
£24.811m	£25.211m

5.6.5 Alongside the vast majority of local authorities with responsibility for caring for children, the Slough Children's Services Trust (SCST) has also experienced significant increases in demand during 2018/19. The Growth Proposals within this document therefore propose a further £1.4m be provided to SCST's base budget from 2019/20 over and above the multi-year settlement outlined in 5.6.4 above.

Reserves

5.7.1 The Council holds a variety of financial reserves, and these are detailed further in Appendix C. It is vital for the Council to hold a minimum level of reserves to ensure that it has sufficient resources available to address any unmanageable overspend that may arise during the course of the financial year (e.g. due to significant unforeseen demand pressures and/or emergencies).

5.7.2 The Section 151 Officer has determined that the recommended minimum level of the General Fund reserve should be set at 5% of the Council's net revenue budget. Plus, due to the current volatility and uncertainty over government funding in terms of Revenue Support Grant levels and other grant funding regimes, Better Care Fund and New Homes Bonus as well as welfare reform costs pressures means that it is estimated an additional £2m of balances are required to cover these contingencies. This would mean a minimum level of £7.3m at the proposed budget figures.

5.7.3 The current level of general reserves as at 31.3.2018 is £8.1m and it is anticipated that the Council will receive an additional £2.630m of one-off income during 2018/19 that had not been budgeted for, as follows:

	£m
2017/18 Accounts Closing Adjustment	1.000
Additional Income (CCTV & IT)	1.386
Small Business Rates 17/18 S31 Grant	0.244
	2.630

5.7.4 Further, the Growth Proposals include the creation of a new Brexit reserve (£200k in 2019/20) to provide a financial cushion for the Council in case of a detrimental impact on the Council arising from the eventual result of the ongoing Brexit negotiations within Parliament.

5.7.5 Finally, the Council's Medium Term Financial Strategy has a number of guiding principles, agreed by Cabinet in June 2018, including:

- SBC will use SUR profits to firstly increase reserves and then to fund one-off growth initiatives.

5.7.6 The Growth Proposals reflect this guiding principle by increasing the General Reserve by £750k, the amount of profits anticipated from SUR, in Year 2 of the Medium Term Financial Strategy.

Risk Management

- 5.7.7 Given the level of savings proposed for 2019/20, it is vital to ensure that these are delivered to enable a balanced budget, but also that the savings package as a whole is considered to ensure that the sum of the savings do not create difficulties for other parts of the Council when delivering services for its residents. All savings are automatically deducted from budget codes when the 2019/20 budgets are built and therefore any non-achievement can be quickly identified, and therefore addressed, through the monthly budget monitoring process. In addition a 10% contingency on all transformation fund savings has been built into the budget model to insure against any potential non-delivery.
- 5.7.8 During the 2019/20 financial year, as has been the case in 2018/19, there will be monthly monitoring of the savings proposals to identify which are green, i.e. on track to be delivered, amber or red (not expected to be delivered in year). This will enable the Council to adjust its future budget position for any unmet savings as well as ensure that it can take appropriate in year steps to rectify any growing overspends that arise. Future year savings included within the MTFS will also be monitored during 2019/20 at both departmental management teams and corporate management team to ensure the anticipated savings are capable of being realised as planned in the MTFS.

Flexible Use of Capital Receipts

- 5.8.1 The Council continues to make use of the flexibility offered by Central Government on the application of capital receipts to fund certain revenue-related change costs. The Strategy on the use of capital receipts under this provision is shown in Appendix K.
- 5.8.2 The Council intends to apply capital receipts to fund the revenue expenditure of the projects outlined in Appendix K which meet the criteria set out by DCLG.

Berkshire Business Rates Pilot

- 5.9.1 As noted in 5.3.2 the government has agreed to continue with a Berkshire Business Rates Pilot Scheme for 2019/20. Although the Council will not receive any Revenue Support Grant in 2019/20, compensatory Business Rates will be received instead. The Council will not pay any levy to the government and will be able to keep an increased share of any local growth in Business Rates income. This means that there will be an increase in resources retained locally. The pilot is expected to generate an additional £0.7m of funding in 2019/20 for Slough Borough Council and this figure has been built into the funding tables shown above and below.

Business Rates - Reliefs

- 5.10.1 In the spring budget of 2017 the Government announced a scheme, to apply during 2017/18, providing an up to £1,000 discount for eligible pubs with a rateable value below £100,000. This scheme was extended across 2018/19 at Autumn Budget 2017. This scheme has not been extended further and will therefore no longer apply after the end 2018/19 financial year. This means that Public Houses that received this relief will see their bills increase from April 2019.

- 5.10.2 The Government, in the Budget on 29 October 2018, announced that it “recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve”.
- 5.10.3 The Government stated that it will provide a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.
- 5.10.4 The value of discount will be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. Local Reliefs will be funded after the Retail Discount has been awarded.
- 5.10.5 Cabinet agreed, on 21 January 2019, a policy which implements these retail reliefs.

Council Tax – premium on long term empty properties

- 5.11.1 The Rating (Properties in Commons Occupation) and Council Tax (Empty Dwellings) Act received Royal Assent on 1 November 2018 and the Government has now brought forward the necessary regulations to implement the measures included in the Act.
- 5.11.2 This means that the legislation is now in place for the council to increase the premium charged on empty Council Tax properties, currently if a property is empty for more than 2 years the council can charge an additional 50% Council Tax, with effect from April 2019 this increases to 100% thereby doubling the Council Tax charge.
- 5.11.3 With effect from April 2020 the legislation allows the council to charge an additional 200% for properties that have been empty for 5 years or more and from April 2021 to charge an additional 300% on properties that have been empty for 10 years or more.
- 5.11.4 The legislation allows the Local Authority to make the final decision if they wish to apply the above charges.
- 5.11.5 The Council is working to reduce the number of empty homes in Slough and see this as an added incentive for charge payers / owners to bring the properties into occupation; therefore Members are asked to approve the implementation of the above charges in line with the legislation.

Court Costs

- 6.1 The current Council Tax and Business Rates legislation allows local authorities to recover debts from customers via a prescribed set of processes, these processes include issuing reminders when the payment is late or missed, issuing final reminders and eventually a summons to magistrates court where a liability order is requested.
- 6.2 The legislation allows for the cost of the summons, the cost of the liability order and the cost of the court to be recovered from the charge payer. The costs requested must be demonstrated to the court and cannot be higher than the total cost of administration.

- 6.3 The Business Rates court costs have increased year on year and are cost neutral, SBC recovers the costs of issuing the summons and obtaining the Liability Order.
- 6.4 However the court costs for Council Tax are subsidised by Slough Borough Council as the cost to the Council of this work has risen but the costs to the charge payer has remained at £108.00 since 2012-13.
- 6.5 It is therefore proposed to increase the court costs to ensure that the council does not continue to subsidise Council Tax non-payers. The proposed court fees are therefore proposed to increase to £144.95.
- 6.6 Over the last five years the number of Council Tax summonses issued has reduced by 3,772, as the council and its partner have worked to reduce the number of summonses issued. It is acknowledged that there are charge payers who cannot pay and the service has engaged with them over time to ensure that their income is maximised, that all arrangements are in place to ensure that they can pay their Council Tax, and to ensure that additional costs are not added to their bill. There are also customers who won't pay, and the Council has been dealing swiftly with them.
- 6.7 In addition Council Tax is only indirectly impacted by Universal Credit in that the claim process for Council Tax Support remains with the Council and has not transferred to the Department of Work and Pensions (DWP), however some people have failed to make a claim for Council Tax Support at the same time as claiming Universal Credit and we are working with the DWP and the JCP to minimise this.
- 6.8 The current costs that are charged by Slough Borough Council are below,

Council Tax	£
Summons	62.00
liability Order	46.00
Total	108.00
Business Rates	£
Summons	97.50
liability Order	82.00
Total	179.50

- 6.9 The new Costs will be

Council Tax	£
Summons	83.95
liability Order	61.00
Total	144.95

Medium Term Financial Strategy (MTFS)

- 7.1 The Medium Term Financial Strategy (MTFS) seeks to set out the background to the Council's current financial position; estimate its future financial position; and

highlight some of the key strands to deliver a balanced position over the period of the MTFS. The guiding principles behind the MTFS are as follows

- 1) The Council will operate within its financial means.
- 2) The Council will seek to increase its financial reserves to the unitary average over the next four years
- 3) The Council will use Slough Urban Regeneration (SUR) profits to firstly increase reserves and then to fund one off growth initiatives.

- 7.2 Given the scale of the ongoing reductions in Central Government spend, the Council has, and will increasingly need to, deliver public services in a more joined up, effective and efficient manner. Maintaining the current levels and delivery of existing services is unlikely to be an option to the Council in the future.
- 7.3 The Council is well prepared to meet the financial challenges of the coming years. It has a history of ensuring a balanced budget is delivered and delivering revenue savings through the effective use of infrastructure investment.
- 7.4 As can be seen from the above the relative importance of Council Tax and retained business rates continue to grow over the period of the MTFS. Over 98% of the Council's income will be made up of council tax or business rates by the end of the MTFS; the Council is becoming, year-on-year, much less reliant on Government funding.
- 7.5 Slough Council accepted the offer of a four year grant settlement from the government in 2016/17 to ensure predictability of funding. The MTFS is, therefore, based on this expected level of funding. Although the four year deal did provide the Council with some certainty regarding its future funding levels: the agreement also resulted in central government reducing the amount of funding it provided the Council over the same period. The level of Revenue Support Grant (RSG) funding can be seen in the table below. It should be noted that RSG is not physically paid to Slough in 2018/19 and 2019/20 as amounts are included within the Business Rates income the Council receives via the Berkshire Business Rate Pilot Scheme.

SBC - Revenue Support Grant	
	£m
2016/17	18.5
2017/18	13.2
2018/19	9.7
2019/20	6.1

- 7.6 The Table, below, provides a summary of the Council's Medium Term Financial Strategy. The key assumptions contained within the model are also provided below.

Table: The MTFS financial model

18/19		19/20	20/21	21/22	22/23
£'000		£'000	£'000	£'000	£'000
100,475	Base Position (Excluding Parish Precepts)	101,521	105,001	108,875	112,150
3,694	Base Budget Changes	3,694	3,140	3,140	3,140
2,845	Directorate Growth	8,099	3,918	1,725	1,725
250	Revenue Impact of Capital Programme	1,321	1,011	656	656
519	Slough Urban Renewal	2,739	750	750	0
(6,262)	Savings Identified	(12,373)	(4,945)	(2,996)	(100)
101,521	Total Forecast Expenditure	105,001	108,875	112,150	117,571
55,570	Council Tax Income	58,493	61,237	64,064	67,176
43,202	Retained Business Rates	42,395	45,340	46,180	47,004
2,749	New Homes Bonus	2,717	2,298	1,906	2,100
0	Additional Social Care Grant	1,396	0	0	0
101,521	Total Estimated Funding Available	105,001	108,875	112,150	116,280
0	CURRENT FUNDING GAP	0	0	0	(1,291)

- Council Tax – assumed that the Taxbase (i.e. number of properties in Slough) rises by 2.8% in 2019/20 by the average growth rate across the two preceding years thereafter.
- Retained Business Rates – assumed growth of 3.1% per year in Business rates in line with the retail price index. Based on financial projections by Pixel Ltd and LG Futures Ltd.
- New Homes Bonus – assumed to reduce as per the Government’s announcement at the provisional local government finance settlement 2019/20.
- Base budget changes – increases due to non-pay and pay pressures across the Council.
- Growth – the 2019/20 items are detailed in Appendix B.
- Revenue impact of capital investment – the amount of revenue budget required to pay off any additional capital borrowing required in future financial years arising from implementing the proposed Capital Programme.
- Savings– the amount of savings required for each financial year.

Changes made to the Bookings Policy, Terms & Conditions and Pricing for 2019-20

- 8.1 This section of the report seeks approval of the annual amendments to the council's public room booking/spacing leasing policy and pricing, which is managed by the Council's Building Management Service.
- 8.2 The Hirer must inform the Council if the event is open to the public and/or if tickets are being sold for the Purpose of the Hiring. Arbour Park Only - Hirers must complete the Arbour Park Community Stadium Event application form and submit to the Bookings team at the time of the booking. Written confirmation from the Building Manager must be obtained before the event can be confirmed.
- 8.3 The occasional handling, preparation, storage and serving of food by private persons at events such as church, school or village fairs are not covered by the scope of the Regulation. Therefore are not subject to the requirements of EU hygiene legislation.
- 8.4 Double rate will be charged on all facilities between the hours of 11pm to 7am. Bank holidays will be charged at double rate all day. In addition, on Christmas Eve and News Years Eve, double rate will be applied on all facilities after 7pm.
- 8.5 Costs for filming at our sites/community centres for use in a documentary or by a news organisation will not be charged for use of space/venue as long as filming is approved by the council's communications services.
- 8.6 Costs for use of Community Centres as Polling Stations: Electoral Services will be charged 50% of the hire charge to enable cover of the cost i.e. electric, heating and staff resources.
- 8.7 Due to the nature of a booking there may be a requirement to have security guards on site, which the bookings team will advise you on at the time of your booking. The cost for the security guards will be charged to the hirer. If a hirer wants to use their own security firm, evidence must be produced at the time of booking as written confirmation from the security firm of providing of guards and payment has been received from the hirer.
- 8.8 Groups that already have existing bookings at our sites which are now chargeable can apply for a transitional grace period to allow them to secure funding as long as they can demonstrate their activities support the local community and priorities in the Council's 5 year plan.
- 8.9 Costs for Facilities Officer time outside standard opening hour will be £20 per hour for weekdays and £25 per hour on weekends. This cost will apply to SBC services and external customers for space hire outside normal opening hours. This will include hiring of open/free spaces within community centres to recover the full cost of providing the service.
- 8.10 Cost for hiring additional equipment at all our sites i.e. Laptop, Projector, Screen, Flipcharts etc. will be payable by the hirer and will be added to the total hire cost. This cost will apply to SBC internal and external customers.
- 8.11 Hirers may use their own catering suppliers to provide Catering Services except at Arbour Park Community Stadium where the council's approved on site supplier must be used.

8.12 Any booking involving a hirer that provides tuition classes, sports teams or any classes related to children will need to provide the bookings team with a copy of their approved DBS certificate. The hirer is responsible for undertaking their own DBS certificate checks on all their employees and coaches that have interaction/work with children.

8.13 It is proposed that we review The Curve room hire costs, to ensure we are maximising income. The following is proposed:-

- Where a hirer is making a substantial booking for shows in The Venue for a minimum of 5 full days, the hirer will not be charged for the period of hire in-between where they are unable to vacate their props.
- In order to entice new customers/community groups to hire the facilities at The Curve we will offer a 10% discount for bulk commitment on the first 10 consecutive bookings of 2 hours or more in any room.

8.14 All bookings must be paid for as per the terms and conditions, requiring full payment at least 28 days prior each booking. In order to secure bookings for dates in advance, which are more than 28 days ahead, a deposit must be received as per the terms and conditions. It will be the responsibility of the hirer to notify the council's booking team in writing when they believe they have made 10 consistent bookings in any one calendar year. The booking team will review this and if they agree with the specified dates and facility hired, a refund will be given at 10% of a total of 10 bookings.

8.15 Upon monitoring room utilisation staff have raised queries regarding the need to use vacant room. It is therefore proposed if a room is not being used across any of the SBC community buildings and a staff member wants to use it, they can walk in and use it. However they would have to be mindful that the Facilities Officer may need to ask them to leave if they need to set up the room for the next booking.

8.16 It is proposed that as far as reasonably practicable to ensure there is no detrimental effect to the customer during the redevelopment of the Chalvey Hub. The existing hirers will be relocated to other community centres for the duration of the hub development project, at a cost no higher than what they pay at Chalvey at present.

8.17 Pricing charges across our sites have remained the same to ensure competitive charging and return on investment in Centres. They are in line with other providers hence the decision was reached by conducting a benchmarking exercise against other local venues for hire and it was found that increasing any prices could have a detrimental effect on our income generation. There is for example, a risk of losing room bookings to Langley Academy, which has very good facilities including a theatre and ample car parking facilities in comparison with The Curve. The only price amendments that have taken place are for equipment hired at The Curve and Arbour Park to bring these inline with our other centres as evidence in **Appendix 2**. The Bookings Service carried out research to ensure that there is no reduction in income; in these circumstances the new equipment charges at The Curve and Arbour Park will allow the service to increase the income marginally without resulting in hire charges being unreasonable.

8.18 Due to customer interest in hiring out the function space and one meeting room instead of the whole floor, a new rate has been implemented at Arbour Park. The rate applied for this is slightly disproportionate, as we would encourage the customer to

hire out the whole floor, if not this would result in redundant space that we are unable to hire due to the building design.

- 8.19 As our service area has grown and we have taken over the management of the meeting room at both Cippenham and Langley Libraries, we have turned this into hireable space and priced this in-line with our other assets. All other prices have remained the same.
- 8.20 The changes proposed in this years review are as a result of customer feedback, changes to council assets and where experience over the last year has demonstrated the need for necessary changes. Benchmarking against other local venue hirer's costs as well as other local authorities, has demonstrated that our charges should not be increased as this would risk income generation. Also as we strive to promote and utilise our building assets to encourage community cohesion as well as meeting the requirements of our 5 year plan, it is beneficial to maintain competitive charging rates.
- 8.21 At an Extraordinary Council Meeting, on 21 December 2018, it was agreed to abolish the Parish Councils of Britwell and Wexham. At the meeting Council agreed, relating to the Parish Assets:

That the Council agrees that all booking contracts and agreements in force before the abolition date have full force and effect against the Council for the proceeding year. The Council will also undertake a review, during the first financial year following abolition, seeking to provide discounts on all Council Bookings for existing Parish hall-using organisations and Groups in the future.

Comments from other committees

- 9.1 The Revenue Budget report was considered at the Overview and Scrutiny Committee meeting on 1 February 2018. The Cabinet considered the budget on 4 February 2019 and agreed to recommend it to Council.

Conclusion

- 10.1 This report recommends decisions be taken to agree a Revenue Budget of £105.001m for the forthcoming financial year, 2019/20, and an associated 2.8% increase in Slough BC's element of the Council Tax for a Band D taxpayer.
- 10.2 This report also contains a subsequent number of Council Tax resolutions for approval to enable the Council to bill residents in appropriate time.

11 Background Papers

- '1' - Local Government Finance Settlement 2019/20
- '2' - Council Taxbase Report (December 2018 Cabinet)
- '3' - Medium Term Financial Strategy Update paper to Cabinet (December 2018)
- '4' - Other detailed working papers held within Finance