Appendix A: Slough Borough Council

REPORT TO:	**Cabinet**
DATE:	**24 February 2025**
SUBJECT:	**General Fund Revenue Budget 2025/26 and Medium Term Financial Strategy 2025/26 to 2028/29**
CHIEF OFFICER:	**Annabel Scholes,** **Executive Director, Corporate Services (S151 Officer)**
CONTACT OFFICER:	**Dave McNamara,** **Director of Financial Management & Strategy** **Chris Holme,** **Director of Corporate Finance and Commercial**
WARD(S):	**ALL**
PORTFOLIO:	**Councillor Smith – Leader of the Council** **Councillor Chahal – Lead Member, Finance, Council Assets and Transformation**
KEY DECISION:	**YES**
EXEMPT:	**NO**
APPENDICES:	**1 Placeholder for Section 25 Statement** **2 Council Tax Resolution** **3 Proposed Budget 2025/26 by Directorate** **4 Proposed Budget Savings and Growth Proposals** **5 Dedicated Schools Grant –** **i. Schools Block Local Funding Formula** **ii. Individual Schools Budget** **6 Proposed General Fund Capital Programme 2025/26 – 2029/30** **7 Flexible Use of Capital Receipts Strategy** **8 Treasury Management Strategy** **9 Budget Risks Register** **10 Budget Consultation responses** **11 Cumulative Equality Impact Assessment**

1. SUMMARY and RECOMMENDATIONS

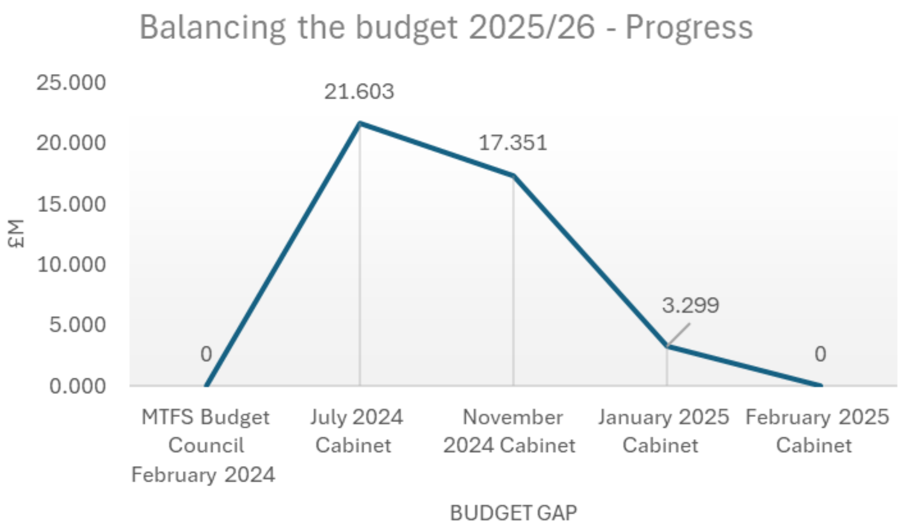
1.1. Cabinet in accordance with the Council's budget process as set out in the Constitution are required to propose a balanced budget for 2025/26 and Medium Term Financial Strategy (MTFS) for 2025/26 to 2028/29 for approval by Full Council.

1.2. The Council's financial position is challenging, and work is developing on improving financial sustainability to provide a balanced MTFS over the medium term. The council is already in receipt of Exceptional Financial Support through a Capitalisation Direction of up to £348m which needs to be repaid. In the meantime, the annual cost of servicing that debt is £6.087m.

1.3. Like all local authorities, the council is having to cope with ongoing increasing demand in Adult Social Care, Special Education Needs and particularly, Temporary Accommodation. Ongoing pressures within Children's Social Care have been contained within Slough Children First.

1.4. The proposed balanced budget is based upon a 4.99% increase in Council Tax and subject to the Exceptional Financial Support for 2025/26 of £15.709m capitalisation direction being approved by government. Government will not announce their decision until late February. The Final Local Government Finance Settlement (LGFS) was published 3 February 2025, with confirmation of the employer NI funding and additional children social care funding.

1.5. The next graph outlines the direction of travel and journey that Cabinet have been on to balance the budget for 2025/26, having to develop proposals of £21.603m and consider an appropriate risk management approach to propose a balanced budget.



1.6. As the Council continues its improvement to a Best Value authority it will be introducing improved financial control processes within a broader financial management framework aligned to performance. There is an approved finance improvement plan that is monitored by the Commissioner Finance Board and it is intended to socialise this more widely with members in the coming months.

Recommendations:

Cabinet is recommended to propose the following for onward approval by Full Council:

a) Note the s.25 Statement from the Council's s.151 officer at Appendix 1.
b) Approve the 2025/26 revenue budget on the basis of an increase in the general element of the council tax of 2.99% and an increase in the Adult Social Care Precept element of 2% as set out in Appendix 2;
c) Approve the council tax resolution for 2025/26 as set out in Appendix 2 on the basis that it is not excessive in accordance with the principles approved under s.52ZB and 52ZC of the Local Government Finance Act 1992 and as permitted by the proposed 'The Referendums Relating to Council Tax Increases (Principles) (England) Report 2025/26';
d) Approve the Medium-Term Financial Strategy (MTFS) as set out in Section 3.20 and Appendix 3 of this report;
e) Delegate authority to the Executive Director, Corporate Services (S151 officer) to place a notice in the local press of the amounts set under recommendation 3 within a period of 21 days following the Council's decision;
f) Approve the General Fund capital programme as set out in Section 12and Appendix 5 Dedicated Schools Grant; and
g) Approve the Flexible Use of Capital Receipts Strategy as set out in Section - 17.5 and Appendix 67Appendix 6 to this report.

Cabinet is recommended to note:

h) The Section 25 statement from the Council's Section 151 officer on the robustness of estimates and reserves;
i) That the proposed budget assumes that a capitalisation direction of £15.709m is approved by government late February 2025;
j) the Executive Director, Corporate Resources (S151 officer) will undertake technical virements to the budget to realign and update profiles prior to the P2 forecast for 2025/26. A high level overview will be reported in the first report of 2025/26.
k) The Treasury Management Strategy Statement was reviewed by Audit and Corporate Governance Committee and recommended to Full Council for approval;
l) The budget risks and mitigations included in section 16 and appendix 9 within this report; and
m) The cessation of the Expenditure Control Process and the move to improved financial control processes within a broader financial management framework aligned to performance.

Cabinet is recommended to approve:

n) the budget proposals for the Dedicated Schools Grant for 2025/26, included in section 15, paragraph 15.17, namely;
   i. The local formulae for schools and early years;
   ii. To support the decisions of Schools Forum on the aspects of the Schools, Central Services and Early Years Blocks that are theirs to decide; and
   iii. to agree the budget for the High Needs Block.

o) The contract sum for Slough Children First for 2025/26 as £38.353m; and

p) Delegate to the Executive Director, Corporate Resources (S151 officer) any decision resulting from the review of corporate support services between Slough Children First and the Council.

Commissioner Review:

"The council is operating in an extremely challenging context, with significant levels of risks, demand and financial pressures. This report reflects the council's journey in proposing the allocation of ring-fenced funds, capital programme and reducing the general fund financial gap for 2025/26, to a residual deficit of £15.709m, which will require exceptional financial support by way of a capitalisation direction. The current projected general fund budget gap after the application of a further £10.611m of exceptional financial support is £21.787m to 2028/29.

The 2024/25 financial performance across all funds has formed the starting point and springboard for formulating budget estimates. The ongoing pressures that have been identified through the 2024/25 in year budget monitoring is taken into consideration in preparing the 2025/26 budget and medium-term outlook.

Like many councils the general fund revenue budget is heavily pitched towards the cost of adult social care, children and education services, delivery of statutory homelessness obligations and corporate financing. This reduces the council's budget flexibility and coupled with lower usable reserves to rely on, will make it more difficult for the council to respond to financial shocks.

The council's improved financial control processes, ability to manage demand and support local need, mitigate risks, deliver its approved saving programme, develop its new operating model along with a fully resourced transformation programme and capital delivery capacity over the medium term, will be essential to increase financial resilience and deliver sustained and thoughtful reform.

The risk underpinning the budget and key assumptions are outlined in the report and I would draw the council's attention to the Section 25 statement of the Chief Finance Officer."

2. REPORT

2.1. The council's budgetary and policy framework within the council's constitution requires the council to set out a budget for the forthcoming financial year and MTFS. Legislatively, the council is required to set a balanced budget and council tax by 11 March of the preceding financial year.

2.2. The budget takes into consideration the council's 'A Fresh Start Corporate Plan 2023 – 2027' which sets out the council's vision and what the council hopes to deliver. The three key priorities are:

2.3. In delivering the priorities the council seeks to be:

2.4. This report presents the proposed revenue and capital budget for 2025/26, the proposed MTFS for 2025/26 to 2028/29, taking into consideration the council's corporate plan, the national context and economic outlook for local government and then how this may impact on the council.

2.5. As the council takes action to become financially sustainable and a Best Value Council by November 2026 it has reviewed its financial framework and it is proposed to end the Expenditure Control Process for 2025/26. Enforcement of No Po No Pay will be enhanced throughout 2025/26 with the introduction of commitment accounting and reviews of the effectiveness of financial controls.

2.6. Spending controls were implemented to prevent any new agreements for any expenditure without explicit written consent from the s151 officer. Measures were introduced to stop all non-essential expenditure prior to the meeting of Council in July 2022. Whilst these measures were necessary at that time, they are now an impediment to the transformation of the council and a move to improved financial control processes within a broader financial management framework aligned to performance is to be implemented form 1 April 2025.

2.7. Financial Monitoring and Planning will be integral to the Corporate Planning Cycle with a focus on Performance, People and Money (PPaM). Central to this will be the availability of real-time financial information supplemented with key performance metrics for all services.

2.8. Members will continue to be engaged and will review portfolio assurance statements on a regular basis. Star Chambers are to be retained with a focus on preparation for the 2026/27 Budget Cycle and Medium Term Financial Strategy through a series of base budget reviews aligned to the development of the new operating model.

3. NATIONAL CONTEXT AND ECONOMIC OUTLOOK

3.1. Uncertainty in local government funding in recent years has remained a topical point of discussion within the public sector mainly receiving single year funding settlements and no conclusion to funding reforms. Councils including organisations representing local government have continued to lobby government on more funding following years of austerity measures and funding not keeping pace with increased demand for services and rising costs. This has made it challenging for councils to budget beyond a one-year horizon robustly. Core spending power, the measurement of core revenue funding available to councils through the local government funding settlement has increased by an average of 3.1% per annum since 2019/20 (recent quote by a senior researcher at Institute for Government).

3.2. The Local Government Association surveyed council chief executives[1] undertaken prior to the Chancellor's Autumn Statement, published findings including:

1) One in four (25%) councils could be applying for exceptional finance support in the next couple of years, this rises to 40% for councils with social care responsibilities;
2) If exceptional finance support did not exist, potential section 114 notices that could be issued by Chief Finance Officers could be around 18% in 2025/26 rising to 33% by 2027/28 based on the likely and don't know responses of 195 survey respondents; and
3) Single tier council services areas of most concern were children's social care, adults social care, special education needs and disabilities (SEND), homeless and temporary accommodation and home to school transport.

[1] Council finances and Autumn Budget 2024 Survey of chief executives

3.3. The Chancellor's Autumn Statement on 30 October 2024 committed to reforms to local government funding by introducing multi-year settlements from 2026/27, and for 2025/26 committed to £1.3 billion of extra funding through the local government settlement suggesting around 3.2% real terms increase in core spending power. The English Devolution White paper published on the 16 December outlined the Governments approach to future reforms within local government and welcomed the opportunity to respond to the consultation.

3.4. In addition, local authorities received around £1.1 billion of new funding in 2025/26 through the implementation of the Extended Producer Responsibility (EPR) scheme to improve recycling outcomes from January 2025, equivalent to a further c.1.6% real-terms increase in local government resources. Exceptionally for 2025/26 only, and recognising the importance of local authorities being able to effectively plan their budgets, the Treasury will guarantee that if local authorities do not receive Extended Producer Responsibility income in line with the central estimate there will be an in-year top up, with the detail on this to be set out through the Local Government Finance Settlement (LGFS) process. The Council has received confirmation that it will receive a one-off payment in 2025/26 for EPR of £2.525m.

3.5. Other measures announced include extending the Household Support Fund, SEND funding, funding to tackle homelessness including the affordable homes programme, funding for bus service improvement plans and local roads maintenance. The Statement also announced business rates measures for businesses which councils would be fully compensated for and also announced a rise to the minimum wage which could impact council's supplies and services contracts.

3.6. From an economic position, the Office for Budget Responsibility (OBR's) assumes Consumer Prices Index (CPI) to be 2.6% in 2025/26 before falling to 2.1% by Q4 2028. The table below is the OBR's economic and fiscal outlook at October 2024.

	RPI	**RPIX**	**CPI**
2024Q4	3.6	3.0	2.4
2025Q4	3.4	3.0	2.5
2026Q4	3.1	2.9	2.1
2027Q4	3.1	2.9	2.1
2028Q4	2.9	2.8	2.1
2029Q4	2.9	2.8	2.0

3.7. Based on our published corporate plan, the below presents ten key facts about Slough that inform our resourcing decisions.

3.8. The financial challenges and other issues facing the council are of an unprecedented magnitude being a council that is one of the smallest unitary councils in England and which therefore does not have the critical mass needed to be financially sustainable without radical action.

3.9. The council's MTFS is therefore aimed at the objective of delivering financial resilience through the finance recovery plan and achieving onward sustainability.

3.10. The council remains in recovery and with government announcing on 20 November 2024 that government intervention will be extended for a further two years until 30 November 2026. The council recognises that over the medium to longer term the council needs to spend within its available resources.

3.11. In addition, social care services delivered by Slough Children First and services for children with special educational needs and disabilities which sit in the council are both subject to separate Statutory Directions. The Statutory Directions mandate the need for significant improvements to practice but these must also be within the agreed financial envelope.

3.12. The council is working within an incredibly challenging financial context with increasing future demand from residents to address more complex issues. Society is also changing rapidly, with different expectations and needs. The council is therefore proactively designing its future shape and how it will continue to deliver services to its residents, businesses, partners and attracting people and businesses to Slough. The recent English Devolution White paper on future government reforms and local government funding will also shape the council's future direction. The strategy includes:

a) Development of an operating model that continues to take the council through recovery and out of intervention;
b) Developing our data and analytics capability including a base budget review to inform decision making and integrating corporate planning with financial resources;
c) Driving down demand for temporary accommodation; It is deeply disappointing that the Government has chosen not to increase Local Housing Allowance given the scale of the homelessness crisis and price inflation in the rental sector, we will however work to both better manage increasing demand and to reduce controllable costs through more efficient and creative purchasing;
d) Driving down demand for adult social care services by supporting more residents to access local community and voluntary services and by increasing awareness of assistive technology and access to equipment to maximise independence;
e) The council is working with the Department of Education (DfE) and Slough Children First to identify how services delivered by the company fit with the council's wider target operating model. The council will work with the DfE on commissioning a review of services and why these remain in intervention with a view to considering alternative options. The support service review will conclude during 2025/26, and it is proposed that the Section 151 Officer as the council's senior responsible officer representative for the project has delegated responsibility for any decision resulting from the review of corporate services;
f) Implementing borough wide parking controls to manage airport and other anti-social parking and improve resident amenity. Alongside the implementation of a range of measures to improve road safety, reduce pollution and promote active travel;
g) Utilising our operational assets such as buildings, car parks and green spaces to generate income while improving the cultural and leisure offer in the borough. Maximising opportunities for sponsorship and advertising to

meet public realm costs income generation opportunities from Public Realm with digital screens, bus shelters & benches. Evaluating event sponsorship and seeking partnering opportunities with local businesses and exploring naming rights for public facilities;

h) Introducing an updated Asset Management Strategy incorporating a Corporate Landlord model will enable optimum revenue savings to be driven from across the Councils whole property and asset portfolio. The new Asset strategy will enable the council to identify those assets that are costly to operate and maintain and seek alternative provision with Partners and external stakeholders whilst ensuring front line services are delivered. The November Cabinet meeting noted an updated two year disposal programme that will deliver significant capital receipts, although a reduction on the original assumptions and year on year revenue savings; and

i) Overall, develop services, particularly those for which charges can be made, to be self-financing and develop a commercial strategy that meets our longer-term financial sustainability.

3.13. Despite the council's challenging circumstances, the Council is keen to lead on the Economic development and urban regeneration of the local area that makes a vital contribution to the borough's long-term sustainability.

3.14. The work has two main themes: growth and inclusion

The growth theme has a number of key areas of activity.

- One is related to attraction of inward investment and the retention and development of existing businesses. This involves engaging with DTI and regional and sub regional partners across Berkshire and West London to promote Slough and sites in Slough. Work including establishing a business network and working with major employers and SMEs to create business networks and develop supply chain access.

- It also involves working with Heathrow Airport limited (HAL) to maximise positive impact from the airport as well as on skills for local people supporting employment access, and with Network Rail GWR and Department of Transport to promote further improvements to rail and bus infrastructure up to an including the Western Rail link to Heathrow.

- A second area of activity relates to the centre of Slough and working to get appropriate developers in place to bring forward schemes to replace existing outdated retail spaces and to develop vacant or under used sites. This work involves working with all the major landowners to enable them to bring new proposals forward, including changing the existing use of sites and working to get landowners to realise potential of their sites. This complements work being done to support existing retail activity through sustaining the BID and bringing activation like the market into place.

- The third area of activity relates to housing led growth where the team is working to explore potential to deliver new homes both in the town centre and across currently brown or grey field sites in a variety of sites, with a linked piece of work looking at potential renewal of Council housing stock. The team working to unlock Slough's potential to deliver high quality and environmentally sustainable housing.

The economic inclusion theme:

- The second major theme is economic inclusion where the focus is on improving access to employment for Sloughs residents and developing the skills base to support local economic growth. Work here is focused on developing training provision but also SME support.

- Key activities include work to bring an HE institution to Slough the development of partnerships between training providers and work with the Berkshire LEP on skills strategies and support. With other activity focusing on creating better pathways into employment for young people and returners as well as coordinating a Berkshire wide approach to employment support for individuals with (mental) health related issues via the new Connect to Work programme.

- Additional activity includes managing Slough's government funding (UKSPF) to ensure maximum use of funds working with partner organisations delivering skills, cultural and arts activities.

3.15. Slough has huge economic potential with over 15,000 jobs on the trading estate and is the UKs centre for data processing which is central to AI which is a key Government focus and is the borough with the greatest economic engagement with London Heathrow where 7,000 of our residents' work. As such it has the opportunity to become a key growth hub for the UK economy and has the land to both grow its own tax base and play a role in meeting regional housing need. The economic and regeneration team is working to achieve this in a highly effective way and is a significant force multiplier for the Council. We will also be working closely with SEGRO and others on delivering our S106 agreements focused on skills/employment as well as wider economic development outcomes.

3.16. The council is also supporting the Berkshire Prosperity Board including lead operational support on skills/employment and sector development and developing plans to deliver key thematic outcomes. We also support the Chief Executive on the Health and Inequalities theme and ensure joining up of activity with health colleagues in Berkshire including the Frimley trust and are key players in the development of action plans to deliver the recently approved Berkshire Economic Strategy.

3.17. The council has also made positive investment and decisions and will continue to make that support the council's future direction and will continue to do so within the budget to work towards longer term sustainability. This includes:

a) A series of permanent appointments to the Council's senior management structure and stabilise the workforce through the workforce strategy;
b) Adult Services - Investment into the community and voluntary sector has seen the development of a community directory of Services, enabling residents to find services to meet their needs and interest within their local communities and expansion of the One Slough fund which in the first round of funded supported 27 local groups. The community and voluntary sector have then secured £2.5m additional funding. Initiatives have been implemented to promote an individual's independence and reduce their reliance on support from social care services;
c) Public health – alongside the public health ringfenced grant, the service has been successful in securing additional funding for health research and improve physical activity in Britwell;
d) Asset strategy – focus remains on supporting services and creating future estate strategies to ensure that the council can deliver services effectively from the proper buildings in the right locations. This includes disposing of assets in line with the Capitalisation Directive and making acquisitions to support various services. The strategic management team also handles corporate health and safety across the council, ensuring a safe working environment for all employees. By integrating these operational and strategic functions, the council can efficiently manage its property portfolio, supporting immediate needs and long-term goals. This comprehensive approach ensures that the council's assets are well-maintained and strategically aligned with the broader objectives of serving the community;
e) Reducing outstanding debt and working proactively with customers, clients including the vulnerable has enabled the council to collect more debt than expected enabling a reduction in debt provision in 2024/25 of £4m;
f) Changes to the Council Tax Support Scheme (CTSS) and creation of a hardship fund for 2025/26; and
g) Modernising the council through IT infrastructure investment has already enabled the council to reduce operating costs whilst lowering organisational vulnerability and providing greater performance and resilience for users using council systems. Accessibility on the council's website has also moved Slough from 250th place for accessibility amongst UK councils in September 2023 to 19th place by October 2024.

3.18. As a council in recovery and intervention, it is acknowledged that there is still a significant journey to move from recovery to become financially sustainable and develop a financial strategy that underpins the corporate plan and the resources available to the council.

3.19. In preparing the budget for 2025/26 and MTFS, the council since early summer has undertaken the following activity with its Cabinet members and Corporate Leadership Team.

a) Reviewed the budget gap in the context of the provisional outturn 2023/24, Quarter 1 and Quarter 2 2024/25 forecast outturns;
b) Held Star Chamber budget challenge meetings with Portfolio leads and directors;
c) Continued with weekly corporate leadership teams incorporating a budget discussion; and
d) Set up three project rooms with representation from across the council to look at costs and opportunities on adult social care, temporary accommodation and other significant spend. Over the course of two weeks, the project rooms generated opportunities of £16.7m of which following initial due diligence reduced to £10.9m. Tracking these opportunities, business cases have subsequently been developed and £13.1m has been included within the MTFS being a combination of reduced growth requirements and new saving opportunities.

3.20. The following table provides Cabinet with the proposed budget 2025/26 and MTFS projections.

MTFS Scenario Planning		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Underlying Gap	Underlying gap rolled forward	23.078	15.709	9.151	1.460
PRESSURES					
Prior Year Gap b/f		0.000	0.000	13.169	18.681
Pay Award	2% pa from 2025/26	1.394	1.411	1.439	1.468
Contract Inflation	CPI & RPIX - keep under review	1.274	1.424	1.462	1.501
Growth	Growth and Pressure submissions	33.468	5.149	3.552	4.823
2024/25 Impacts	2024/25 pressures picked up in 2025/26 proposals	-14.64109023	-0.069	-0.070	-0.072
Recovery Plan	Recovery Plan	6.185	1.000	0	0
Transformation	Reduction in Transformation	0	-2.000	0	0
Corporate Adjustments	MRP, Assets, Time Limited Budgets, Pension Deficit Companies, Reserves, Interest	-1.014	2.162	1.226	1.254
	TOTAL GROWTH/PRESSURES	**26.666**	**9.077**	**20.778**	**27.655**
FINANCING					
Grants	Includes provisional settlement	-9.376	0.511	-1.178	-1.202
Council Tax	4.99% 2025/26 plus 2024/25 surplus and 4.99%, thereafter	-4.766	-4.224	-5.070	-5.349
Business Rates	Based on revised estimates plus 2024/25 surplus	-8.087	1.284	-0.714	-0.777
Capital Receipts	Reduction in Transformation funded by Flexible Use of Capital Receipts	0	2.000	0	0
	TOTAL FINANCING	**-22.229**	**-0.429**	**-6.963**	**-7.328**
Savings	Savings Target	**-11.806**	**-15.205**	**-19.706**	**-21.787**
	Underlying gap to roll forward	**15.709**	**9.151**	**1.460**	**0**
	Savings Proposed	-11.806	-2.036	-1.025	0
	Gap to be closed	**0.000**	**13.169**	**18.681**	**21.787**

3.21. The 2025/26 budget by Directorate can be seen in Appendix 3 with a comparison to 2024/25 budgets.

3.22. The table below sets out the changes within the MTFS from January Cabinet when there was a Budget Gap of £3.299m to the position where the budget is balanced for 2025/26.

	£m	£m
Balance @ January Cabinet		**3.299**
Reversal of Library Saving	0.060	
Design Authority Update:		**-0.390**
Reprofiling of pilot		
Temporary Accommodation Leasehold project	0.200	
Revision to ASC Reablement Saving		
pending future decision	0.175	
Review of In-House Direct Payment Support Service	0.025	
Senior Management Restructure	-0.340	
Revised costing of Transition from CHS to ASC	-0.450	
Waste		**-0.976**
Extended Produce Responsibility Funding	-2.525	
Extended Produce Responsibility Spend	0.739	
Net Cost of Food Waste roll-out	0.592	
Other Waste Initiatives	0.218	
NNDR		**0.082**
NNDR Adjustment for Council properties	1.035	
Increase in NNDR income based on NNDR1	-0.953	
Capitalisation Direction		**-1.755**
Rephased Capitalisation Direction	-1.800	
Interest Payable	0.045	
Risk		**0.401**
Provider Uplift Risk Reserve	0.401	
Income		**-0.500**
Planning	-0.300	
Parking	-0.200	
Total Adjustments		**-3.078**
Final LGFS		**-0.221**
Employers National Insurance	-0.170	
Children's Social Care Prevention Grant	-0.051	
Balance @ February Budget Cabinet		**0.000**

3.23. The council's MTFS over future years remains unbalanced, recognising expenditure greatly exceeds its available funding and challenges as outlined earlier in this report. The balanced budget for 2025/26 is underpinned by the assumption of £15.709m exceptional financial support request submitted to the Ministry of Housing, Communities and Local Government (MHCLG).

3.24. The request for £15.709m EFS for 2025/26 is an increase of £1.8m on the previous assumption, but his has not led to an overall increase in the EFS of £348.045m. The following table is a profile of the total exceptional finance support requested by the council:

	Up to 2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Exceptional Finance Support (Original)	298.645	23.078	13.909	9.151	3.260	0	348.045
Exceptional Finance Support (Re-profiled)	298.645	23.078	15.709	9.151	1.460	0	348.045

3.25. MHCLG have also written to confirm that the council will not be notified of the outcome of its application until after the final settlement and around the end of February 2025.

4. LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1. The final Local Government Finance Settlement (LGFS) was published on 3 February 2025. The only updates since the provisional settlement and January Cabinet is confirmation of the National Employer contribution funding and additional children social care funding, both updates have been reflected in the table in paragraph 3.22 and contribute to the development of a balanced budget for 2025/26.

5. CORE FUNDING ASSUMPTIONS

5.1. The following table outlines the core funding assumed in the budget 2025/26 and MTFS.

Funding Source	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Council Tax Income (and surplus)	(87.390)	(91.614)	(96.684)	(102.033)
Business Rates - Local Share	(44.393)	(43.109)	(43.824)	(44.601)
Revenue Support Grant	(8.024)	(8.184)	(8.348)	(8.515)
Targeted Deprivation Funding Stream	(3.219)	(3.270)	(3.323)	(3.376)
Other Government Grants	(16.992)	(16.224)	(17.140)	(18.075)
Capitalisation Direction	(15.709)	(9.151)	(1.460)	-
Total Funding	**(175.727)**	**(171.553)**	**(170.779)**	**(176.600)**

5.2. The table includes projections modelled by Pixel Financial Management. For future years, Pixel Financial Management have taken into consideration Fair Funding formulae which projects an additional £27m funding due to the council. The main difference relates to assumptions around updating the distribution model to better reflect population need and overall increases in the population. There are a number of unknowns including how government would implement these changes as they move to multi-year settlements. At this stage it is therefore prudent to remain with future projections remaining in line with pay award and inflation assumptions.

6. COUNCIL TAX

6.1. The following table outlines the council tax estimates within the MTFS and the calculation for 2025/26 budget.

	2025/26	2026/27	2027/28	2028/29
Council tax base (Band D Equivalent Properties)	45,776.0	46,082.1	46,326.4	46,570.7
Band D (£)	1,923.09	2,019.05	2,119.80	2,225.58
Collection Rate	98.25%	98.25%	98.25%	98.25%
Council Tax £m	**(86.491)**	**(91.414)**	**(96.484)**	**(101.833)**

6.2. Assumptions within the council tax estimates are as follows;

a) An increase of 4.99% council tax increase (council tax increase 2.99% and adult social care increase of 2.00%), rising from band D £1,831.69 in 2024/25 to £1,923.09 in 2025/26;
b) Future years assume a 4.99% council tax increase;
c) Growth assumptions assume a growth of 390 properties in 2025;
d) Council tax collection rate has been reduced from 99.00% to 98.25% taking into account a lower rate of collection this year and the impact of a change to the Council Tax Support Scheme;
e) The impact of the change to the Council Tax Support Scheme is to add an estimated 901 band D equivalent properties to the Council Tax base in 2025/26; and
f) the referendum limits for council tax and additional Adult Social Care precept were confirmed in the final LGFS and The Referendums Relating to Council Tax Increases (Principles) (England) Report.

6.3. Council at their meeting on 23 January 2025 approved revisions to the Council Tax Support Scheme to reduce the working age discount from 100% to 70% except those in Band 1 (non-working) discount being 80%. The scheme aligns with neighbouring authorities and expects to deliver £1.468m at time of modelling. Council also agreed to set aside a Hardship fund of £0.350m in 2025/26.

6.4. Under legislation, the council manages the collection of council tax through the collection fund. Based on the current and predicted future performance of the collection fund, the council is able to recognise a collection fund surplus for the council into the General Fund of £0.699m in 2025/26. This recognises the timing differences between setting the council tax for the forthcoming financial year and the performance of growth assumptions and collection rates. The MTFS for future years does not assume a collection fund surplus per year.

7. BUSINESS RATES - (National Non-Domestic Rates - NNDR)

7.1. The following table outlines the business rates estimates within the MTFS. These have been updated following completion of the NNDR1 form for 2025/26 which formally estimates the business rates income for the year and is shared with central government and the Berkshire Fire Authority who receive a share of the business rates collected. The numbers reflect a 1% increase in the rateable value of business rate properties from a year ago, reflecting positive growth in the local economy.

£m	2025/26	2026/27	2027/28	2028/29
Business Rates (£m)	(42.393)	(43.109)	(43.824)	(44.601)
Estimated (surplus) relating to prior years	(2.000)	-	-	-
Total	**(44.393)**	**(43.109)**	**(43.824)**	**(44.601)**

7.2. The Chancellor's Autumn Statement announced measures for private schools in England no longer being eligible for charitable relief, updates to the retail, hospitality and leisure relief, a freeze to the small business rate relief. Councils will be fully compensated for any loss of income and administration costs for these measures.

7.3. The local government policy statement in November 2024 announced the intention to "reset" the business rates retention system in 2026/27. This is alongside the government's planned review of "Relative Needs and Resources" also set to be implemented in 2026/27, although transitional arrangements are expected. The impact of planned changes will be reviewed as they are consulted on by government.

7.4. Assumptions within the Business Rate estimates are as follows;

a) A small increase in income due to the expected removal of private schools' eligibility to charitable relief from 1 April 2025;
b) No other growth assumed in rateable values from current levels;
c) An inflationary increase of 1.7% on properties with rateable value over £51,000, based on September's CPI, and a freeze in the small business rates multiplier, and 2% uplift thereafter;
d) Collection rate remains at 99.2% per annum;
e) No significant impact of the business rate retention "reset"; and

f) The business rate returns (NNDR3s) from 2018/19 through to 2022/23 have been restated and submitted to MHCLG for approval. The 2023/24 NNDR3 will also need to be restated and submitted. No adverse impact on balances resulting from this restatement.

8. CORE SPENDING POWER – FUTURE

8.1. Core spending power, the measurement of core revenue funding available to councils through the local government funding settlement is expected to increase in real terms by £3.4bn, or 5.25% in cash terms (£1.3bn grant increase, £2.1bn council tax increase).

8.2. Looking forward, the Government is committed to returning the sector to sustainability through a comprehensive set of measures to support local authorities in England. These will need to be developed over the next 1-2 years.

8.3. Whilst there are no firm proposals on which to model future years' settlements the approach will be to reform funding allocations within the Local Government Finance Settlement by redistributing funding to ensure that it reflects an up- to-date assessment of need and local revenues.

8.4. The Government will also simplify the wider local funding landscape, reducing the number of grants and consolidating them into the Local Government Finance Settlement. The Government wants to move towards a multi-year settlement for local government so local authorities can plan more effectively. Whilst it is anticipated that the Council will benefit significantly from these proposals, given the redistributive nature of the settlement it is possible that benefits may be dampened down over a number of years to mitigate the impact on councils who would be adversely affected be the changes.

9. CORE EXPENDITURE ASSUMPTIONS

9.1. In developing the draft budget for 2025/26 and MTFS the following assumptions have been incorporated:

	2025/26	2026/27	2027/28	2028/29
Pay Award	2.00%	2.00%	2.00%	2.00%
Inflation CPI	1.70%	2.00%	2.00%	2.00%
Inflation RPI	3.20%	3.00%	3.00%	3.00%
Contract specific:				
Finance & Commercial	5.00%	5.00%	5.00%	5.00%
Children's Services (PFI Unitary Charge)	5.00%	5.00%	5.00%	5.00%

9.2. It is prudent to allow for a corporate contingency to manage fluctuations and budget risks including the pay award assumptions for 2025/26. The following budgets are held corporately with a corporate contingency of £1.247m and a risk budget of £2.215m to manage growth risk and £0.500m non-delivery of savings.

	£m
Pay award for 2025/26 plus retained savings from a lower pay award in 2024/25	2.900
Potential cost of change to Employer’s National Insurance	1.085
Contract Inflation	1.058
Non-Delivery of Savings	0.500
General Contingency	1.247
Creation of risk budget for demand pressures	2.215
Provider uplift risk	0.403
Total Corporate Contingency	**9.409**

10. BUDGET PROPOSALS 2025/26

10.1. Cabinet have considered growth and saving proposals as part of proposing a balanced budget for Full Council to approve. Details of each growth and saving proposal can be seen in Appendix 4 including the governance to implement the proposal and summarised in the next table.

10.2. Proposals that change the staffing structure or have an impact on services (or both) will include the appropriate consultation with staff or residents (or both) and an equality impact assessment.

Growth Proposals	**2025/26** **£m**	**2026/27** **£m**	**2027/28** **£m**	**2028/29** **£m**
Draft Budget proposals 2025/26	30.162	5.149	3.552	4.823

Saving Proposals	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Budget proposals carried forward MTFS 2024/25 (already approved)				
Original approved savings	6.836	1.796	-	-
Reversal of savings during 2024/25 (Reported in Budget Monitoring)	(5.029)	(0.460)	-	-
Subtotal (1)	1.807	1.336	-	-
Draft Budget proposals 2025/26				
Savings – Service Reductions	0.761	-	-	-
Savings – Efficiencies	4.791	0.685	1.000	-
Savings – Income Generation	4.447	0.015	0.025	-
Subtotal (2)	**9.999**	**0.700**	**1.025**	**-**
Total (1) + (2)	**11.806**	**2.036**	**1.025**	**-**
Risk Deliverability Assessment				
High (The approach to delivery is dependent on either a policy change and / or implementing new technology / processes and / or consultation)	1.5946			
Medium (The approach to delivery is to be finalised)	5.302			
Low (A robust approach to delivery is clear including timescales and any change factors have been agreed or are in place)	4.909			

10.3. A deliverability risk assessment has been undertaken on each saving to determine underlying risks in delivering the saving in full. Currently 14% of savings have been identified as high risk to deliver. The business cases will need to clearly articulate how these savings can be delivered and actions that are required to mitigate against non-delivery of savings. Similar action will also be required on amber savings which equate to 45% of overall savings.

11. BUDGET VIREMENTS

11.1. In developing the 2025/26 budget and undertaking due diligence, a requirement for technical virements will be required to correct coding (for example reallocating salary savings within the council's employee coding structure), realignment of approved budgets, profiling budgets and any technical changes such as recognising Directorate service grants by budgeting income and expenditure.

11.2. The council's section 151 officer has authority to make virements up to prescribed limits in the Council's financial procedure rules which will allow technical virement changes prior to period 2 reporting in 2025/26.

12. CAPITAL PROGRAMME

12.1. Cabinet approved a draft General Fund capital programme 2025/26 to 2029/30 at its meeting of the 18 November 2024, taking account of progress against the 2024/25 programme, and approvals for a number of new externally funded schemes. In accordance with the council's approved capital strategy, expenditure proposals must be affordable, sustainable and prudent, and aligned to the council's corporate plan priorities, with a focus on the following;

- Ensuring essential services are deliverable;
- Investment that minimises revenue expenditure in the context of financial challenges the authority is facing; and
- Maximising external funding sources.

12.2. The original General Fund Programme to 2027/28 did not assume any new prudential borrowing but did assume the use of some £9.8m of capital receipts arising from asset disposals. Since then, a review has been undertaken of the General Fund asset disposal programme and this has identified that the value of disposal assumptions, as set out in the draft Treasury Management Strategy 2025/26, are proving to be unrealisable over the current medium term financial planning period. That has implications for capital investment requirements, the debt reduction strategy and financing of the Capitalisation Directions (CDs).

12.3. Previous assumptions were that the CDs would be primarily funded by capital receipts. As this is no longer the case, it will be necessary to redirect those capital receipts assumed in the future years' capital programme, if they have an asset life assumed to be over 20 years, to finance the CDs - meaning that any essential approved new investment from 2024/25 onwards, not financed externally, will need to be financed through new prudential borrowing.

12.4. Officers have continued to review both the General Fund and HRA capital programmes, with a view to providing affordable and sustainable programmes over the next five years. For the General Fund the programme remains primarily as per that considered by Cabinet in November 2024. The individual schemes are set out in Appendix 6, along with the funding assumptions of the draft programme, and it is now recommended that it be agreed for submission to Full Council for approval. With the redirection of capital receipts for the remainder of the MTFP towards prior years Capitalisation Directions the programme will now require new borrowing on schemes from 2024/25 to

2029/30 to the value of £11.37m (excluding Capitalisation Directions 2025/26 to 2027/28). This has been reflected in the draft Treasury Management and Capital Strategies as set out in Implementation of this policy will be monitored as part of the regular financial reporting requirements, including quarterly review for Cabinet. That will include tracking of the payback of the proposal and a commentary on the benefits realisation of the planned savings or service transformation against the initial analysis.Appendix 8 to this report. Cabinet is asked to review and approve their inclusion into the 2024/25 capital programme. It should be noted that any new schemes with a value over £500,000 or with additional revenue implications not specifically identified within the budget report will require full financial appraisal and Cabinet approval before commitment of any expenditure.

12.5. It should be noted some future years' specific grant allocations have yet to be announced and so will be amended when the final allocations are announced. It should also be noted that the Q3 monitoring report (as reported separately on this agenda) is now reflecting an underspend on the GF capital programme for 2024/25 of some £6.36m. This is primarily slippage and relates to grant funded schemes. A detailed review during the final quarter of the year will be undertaken to assess the 2025/26 implications with any proposed carry forwards brought back to Cabinet early in the new financial year.

12.6. The estimated capital financing costs arising from the requirement for new borrowing against the indicative GF programme will be some £0.05m in 2025/26 rising to £0.60m in 2029/30. This is reflected in the revised Treasury Management Strategy assumptions.

12.7. A summary of the draft programme is set out in the table below.

Summary of GF Capital Programme 2024/25 to 2029/30

General Fund Capital Programme	2024/25 Revised Budget Nov 24 £m	2025/26 Draft Estimate £m	2026/27 Draft Estimate £m	2027/28 Draft Estimate £m	2028/29 Draft Estimate £m	2029/30 Draft Estimate £m	2024/25 to 2029/30 Total £m
Adults Services	1.679	1.244	1.244	1.244	1.244	1.244	7.899
Children's Services	7.949	7.220	6.137	2.836	3.017	3.041	30.200
Regeneration, Housing & Environment	17.346	26.578	7.892	3.415	4.044	4.485	63.760
Corporate Resources	0.045	0.596	0.540	0.540	0.360	0.360	2.441
General Fund Capital Exp Total	**27.019**	**35.638**	**15.813**	**8.035**	**8.665**	**9.130**	**104.299**
Corporate - Transformation	2.000	2.000					4.000
Capitalisation Directions	23.078	15.709	9.151	1.460			49.398
General Fund Total	**52.097**	**53.347**	**24.964**	**9.495**	**8.665**	**9.130**	**157.697**
Funding - External							
Government Grants	-25.692	-31.879	-14.609	-6.701	-4.783	-4.81	-88.471
Capital Receipts	-3.000	-3.368	-0.142				-6.509
Developer contributions (s.106)	-0.225	-0.093		-0.579			-0.897
Total External Funding	**-28.962**	**-35.540**	**-14.951**	**-7.480**	**-4.983**	**-5.007**	**-96.923**
Capital Financing Requirement	**23.135**	**17.807**	**10.013**	**2.015**	**3.682**	**4.123**	**60.774**

The following table highlights the need for prudential borrowing of £11.376m over the life of the programme.

Capital Financing Requirement:	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2024/25 to 2029/30 £m
Capitalisation Direction	23.078	15.709	9.151	1.460	0.000	0.000	49.398
Capital Programme	0.057	2.098	0.862	0.555	3.682	4.123	11.376

12.8. The HRA Capital Programme to 2029/30 is set out in the HRA 30-year business plan reported separately on this agenda. It is anticipated the programme will be funded from a combination of major repairs, revenue reserves and right-to-buy receipts. No additional borrowing is currently anticipated to be required to fund the programme, although there are separate reports on this agenda, which if approved will impact upon the HRA capital financing requirement. If approved, these will be reflected in the final Treasury Management Strategy to be submitted to Full Council for approval.

13. TREASURY MANAGEMENT STRATEGY

13.1. The updated 2024/25 Treasury Management Strategy (TMS) was presented to Cabinet in November 2024, in response to the significant changes arising from the emerging outcomes of the asset review which was reported to Cabinet in November 2024. The update reflected the reduced asset disposal assumptions, as at September, and the need to redirect capital receipts from the revised capital programme to finance Capitalisation Directions. The revised strategy was approved by Full Council on the 23 January 2025.

13.2. The 2025/26 Draft Treasury Management Strategy (TMS) was considered by Audit and Corporate Governance Committee at its meeting on the 22 of January 2025, and it was resolved that, subject to any amendments arising from budget and associated financial decisions which may impact on the TMS assumptions, that it be submitted to Full Council for approval as part of the budget report on 6 March. It reflects the outcomes of the asset review, as reported to Cabinet in November 2024, but adjusted for Cippenham and Langley libraries, pending their further review - the reduction of which is mitigated by updated assumptions on the remaining schedule of likely disposals over the period to end of 2027/28. The TMS considers the council's borrowing and investment strategy alongside required prudential indicators. It also identifies risk reduction strategies that have been established to ensure the fundamental aims of security, liquidity, and yield of the council's investments.

13.3. The council must operate within the parameters of a balanced budget (taking account of the exceptional financial support), and that means broadly that cash raised during the year will meet cash expenditure requirements. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in secure counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return. The second main function of treasury management is the funding of the council's capital expenditure plans. The five-year capital programme provides a guide to the borrowing need of the council, essentially the longer-term cash flow planning to ensure that the council can meet its capital spending plans. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses. The TMS sets out how the council undertakes these essential functions and helps deliver the Medium-Term Financial Strategy.

13.4. In addition to approval of the capital programme and HRA 30-year business plan, there are a number of reports presented to this Cabinet for approval that will have implications for the final TMS. They include the disposal of HRA shop parades, appropriation of a number of general fund dwellings into the HRA, and proposal to acquire long-term leasehold of a number of residential properties to support temporary accommodation.

13.5. The Treasury Management Strategy was approved by Full Council at its meeting on 23 January 2025. There have been some minor revisions to the narrative and capitalisation changes under officer delegation.

14. HOUSING REVENUE ACCOUNT

14.1. A separate report to update the HRA 30-year Business Plan & 2025/26 Budget Report is being developed and will be presented for consideration by Cabinet alongside the 2025/26 Council Budget report in February 2025.

15. DEDICATED SCHOOLS GRANT

Background to DSG position

15.1. The Dedicated Schools Grant provides funding for schools and is split into four blocks. For a period of three years up to 31 March 2026, any deficit associated with the DSG is kept off local authorities' balance sheet due to a statutory override as set out in The Local Authorities Capital Finance and Accounting (England) Regulations. These regulations also prohibit local authorities from contributing from the General Fund to reduce the deficit.

15.2. Allocations to local authorities for 2025/26 were published in December 2024. The allocations to Slough are summarised in the table below:

Table: Summary of DSG Funding 2025/26, compared to 2024/25

DSG Block	2024/25 Funding £'000	2025/26 Funding £'000	Change £'000	Change %
Schools Block [1]	172,308	184,973	12,665	7.35%
High Needs Block [2]	37,481	40,211	2,730	7.28%
Central Schools Services Block	840	921	81	9.64%
Early Year Block [3]	21,810	26,164	4,354	19.96%
Total DSG funding	**232,517**	**252,269**	**19,830**	**8.53%**

Note 1:- £12.1m of the £12.7m increase relates to the full-year impact of incorporating three specific grants into the DSG (i.e. **TPAG** (Teachers Pay Award Grant), **TPECG** (Teachers Pensions Employer Contribution Grant) and **CSBG** (core schools budget grant))

Note 2:- The HNB Allocation for 2025/26 will be amended by DfE in July 2025 to reflect updated data on high needs places agreed with ESFA in November 2024 and import/export figures as at January 2025.

Note 3:- . The EYB allocation 2024/25 may be revised retrospectively to reflect actual January 2024 census data. Similarly, the EYB allocation for 2025/26 is based on January 2024 census data for established provision and estimated termly participation for expanding provision; in effect, it is the funding rates that are determined for 2025/26, but the final EYB DSG will be dependent on actual participation.

15.3. The School Block uplift largely reflects the transfer of grants into the DSG, including the Core School Budget Grant that took effect from September 2024 and which is included in the DSG at a full-year rate for 2025/26.

15.4. The additional Early Years funding of £4.4m supports the continued expansion of government-funded childcare to help more parents, particularly women, stay in and return to work.

15.5. The £2.7m increase in the High Needs Block had been expected from the announcements in the 2024 Autumn statement, reflecting support to reform to special educational needs provision and to improve the outcomes for the most vulnerable children.

15.6. The December 2024 CSSB allocation for 2025/26 is £921,354 and comprises of £900,906 pupil led funding (based on a pupil count of 28,996) and £20,448 funding for historic commitments. This is an overall increase of £57,221 compared to 2024/25. The mainstream schools elements of TPAG, TPECG 2024 and CSBG will be rolled into the schools NFF for 2025 to 2026. The funding for centrally employed teachers within the TPECG and CSBG are also being rolled into the CSSB NFF for 2025 to 2026.

15.7. A further £4 million will be provided to cover additional exceptional copyright license costs in 2025 to 2026. The additional funding each local authority will receive in respect of copyright licences will be calculated as 7.1% of their copyright licence costs in 2024 to 2025.

15.8. ESFA are phasing out funding for historic commitments and this element has been reduced by 20% compared to the 2024/25 funding.

15.9. The per pupil rate used for Slough is £31.07 per pupil. This low level of per pupil funding has resulted in an ongoing pressure on Central School Services and, as a result, Schools Forum agreed to an additional transfer from School Block to CSSB of £0.100m for the past 3 years (2022/23, 2023/24 and 2024/25) to support the admissions process.

DSG Deficit and Safety Valve

15.10. Dedicated School Grant (DSG) has had a deficit balance for several years mainly due to overspends on the High Needs Block. This mainly relates to increased demand for out of borough SEN placements, post 16 services and places at Special schools.

15.11. By the end of 2021/22, the DSG deficit had reached £25.5m. In order to avert reaching an unmitigated deficit of £41.7m by the end of 2026/27, the Council entered into a multi-year Safety Valve Agreement with the Department for Education in March 2023. This required Slough to take action to manage demand and reduce the in-year deficit to nil, in exchange for the DfE providing conditional funding of £27m to assist in addressing the cumulative deficit. That conditional £27m would be paid on a profile through to 2026/27, subject to Slough meeting its obligations.

15.12. By March 2024, the DfE had paid Slough £15.2m of the potential £27m Safety Valve support. Without that support, the DSG deficit at the end of 2023/24, would have been £25.3m, but the DfE support meant that Slough ended the year with a net deficit of £10.1m. At that point, the net DSG deficit was lower than the projected further Safety Valve support of £11.8m.

Table: Summary impact of Safety Valve support on DSG balance position since 2022/23

	Without Safety Valve £m	Safety Valve Impact £m	Net DSG position £m
Net DSG deficit b/f 2022/23	**£25.4m**	**£0m**	**£25.4m**
In-year movement 2022/23	+£0.3m	-£10.8m	-£10.5m
Net DSG deficit b/f 2023/24	**£25.7m**	**-£10.8m**	**£14.9m**
In-year movement 2023/24	-£0.4m	-£4.4m	-£4.8m
Net DSG deficit b/f 2024/25	**£25.3m**	**-£15.2m**	**£10.1m**
Potential further Safety Valve payments up to 2026/27		**-£11.8m**	
Max Safety Valve		**-£27.0m**	

15.13. Overall, this would suggest that Slough is managing to stabilise its in-year DSG position and may be on track to recovery. There are reasons for caution, however. The High Needs budget, in particular, has experienced demand and cost pressures in recent years. While this is a national issue, Slough's position has been compounded by:

- Data quality issues, tracking numbers and costs of pupils with Education Health and Care Plans (EHCPs)
- Backlogs in processing EHCPs
- Pent up cost pressures with little increase in high-needs top-up rates in recent years
- Plans to expand places and services which will contribute to costs in future years.
- Delays in closing prior-year accounts.

The DSG budget proposals for 2025/26 take account of this context and the papers to Schools Forum in November 2024 and January 2025 provide further details for Members.

The following table includes the payment to be received from the DfE.

Year	**The Department agrees to pay to the authority an additional £m of DSG by year end**			
	Annual	**Total**	**Revised**	**Total**
2022-23	£10.80m	£10.80m	£10.80m	£10.80m

2023-24	£3.24m	£14.04m	£4.41m	£15.21m
2024-25	£3.24m	£17.28m	£2.07m	£17.28m
2025-26	£3.24m	£20.52m	£3.24m	£20.52m
2026-27	£6.48m	£27.00m	£6.48m	£27.00m

DSG Budget proposals for 2025/26

15.14. Schools Forum considered the DSG budget for 2025/26 for the Schools Block, Central School Services Block and Early Years Block at its meeting on 15 January 2025. No paper was presented on a draft High Needs Block budget.

15.15. The DfE funding regulations require the Schools Forum to make determinations on specific aspects of the budget and for others the LA is to decide following consultation with Schools Forum (and, in the case of the mainstream school and early years formulae, with schools and settings themselves).

15.16. Clear proposals about the basis for allocating the 2025/26 budget were agreed by Schools Forum (SF) and these are summarised in the Table below.

Table: Status of DSG proposals for 2025/26, following Schools Forum meeting of 15 January 2025

Block	Component	Funded from Block £'000	Transfers between blocks £'000	Total funding for 2025/26 £'000	Status
Schools Block	Mainstream funding formula (schools and academies)	183,510		**183,510**	**SUPPORTED** BY SF. Cabinet / Council to DECIDE
	Set the Minimum Funding Guarantee at 0% (£0.375m included in formula above)	N/A	N/A	N/A	**DECIDED** BY SF
	To Growth Fund (£112k to be funded from unspent allocation in 2024/25)	650		650	
	To Central School Services Block (Admissions)	100	-100	0	
	To High Needs Block	825	-825	0	
Total Schools Block		**£185,085**	**-925**	**184,160**	
Central School Services Block (CSSB)	LA Safeguarding Children Board	30		30	**DECIDED** BY SF
	Servicing Schools Forum	64		64	
	Admissions	225	100	325	
	Copyright Licences	183		183	
	Education Welfare	200		200	
	Asset Management	13		13	
	Statutory & Regulatory Services	206		206	
Total CSSB		**£921**	**100**	**1,021**	
Early Years Block	Distributed to settings on rates proposed for the local 2025/26 early years funding formula using the participation levels included in the EY DSG for 2025/26	**23,078**		**£23,078**	**SUPPORTED** BY SF. Cabinet / Council to DECIDE
	Contingency	**41**		**41**	
	Early Years Inclusion Fund	**130**		**130**	
	Allocations for Maintained Nursery Schools, consistent with the amounts in the 2025/26 EY DSG	**1,505**		**1,505**	
	Disabled Access Fund	**120**		**120**	Payable as per DfE requirements
	Early Years Pupil Premium	**321**		**321**	
	Central Team funding	**969**		**969**	
Total Early Years Block		**£26,164**	**0**	**26,164**	
High Needs Block	All, including amount recouped by ESFA and £0.825m transferred from Schools Block	40,211	825	41,036	Cabinet / Council to DECIDE.
Total High Needs Block		**40,211**	**825**	**41,036**	
GRAND TOTAL DSG 2025/26		**252,381**	**0**	**252,381**	
Funded from indicative DSG allocation 2025/26				252,269	See earlier table
B/f DSG from 2024/25 (forecast unspent Growth)				112	
Total funding sources				**252,381**	

15.17. The decisions for Cabinet are: to agree the local formulae for schools and early years; to support the decisions of Schools Forum on the aspects of the Schools, Central Services and Early Years Blocks that are theirs to decide; and to agree a budget for the High Needs Block.

15.18. **The mainstream schools funding formula** is consistent with the approach taken in 2024/25. All LAs are required to align their formula with the National Funding Formula (NFF) over time. Formula factors which are within +/- 2.5% of the NFF values are deemed to be mirroring the NFF. Where factors are outside that range, they are required in 2025/26 to move at least 10% closer than they were in 2024/25.

15.19. For Slough, all but 2 factors are mirroring the NFF. The exceptions are split-site and mobility factors.

15.20. Schools were consulted in December 2024 about keeping the formula as close to that for 2024/25 as possible, within the regulations. This was supported by the seven respondents to that consultation, details of which were presented to Schools Forum in January 2025. The principles that informed the formula for 2025/26 were, therefore:

- The formula factor values used in the funding formula for 2024/25 should be the starting point
- Those values would then by supplemented by the full-year amounts of per pupil, per FSM6 and per school allocations used in the specific grants allocated in 2024/25, which are being absorbed into the DSG for 2025/26 (i.e. TPAG (teachers' pay), TPECG (teachers pensions) and CSBG (core schools budget grant))
- Where the resulting factor values are outside the permissible range (i.e. +/- 2.5% from the NFF value) (to comply with DfE NFF requirements) they either be raised to the minimum value or reduced to the maximum value.
- National Non-Domestic Rate amounts for each school will be as per those advised by ESFA. (i.e. Slough participates in the national scheme whereby the DfE pays rates directly to the rating authority and advises LAs, schools and academies of how much to budget for now and, later in the year, of any adjustments to account for).
- PFI allocations to be uplifted by Retail Price Index (RPIx) from those used in 2024/25.
- Schools and academies to be entitled to minimum funding of £4,955 per primary school and £6,465 per secondary school).
- Schools for be protected by the Minimum Funding Guarantee of 0% for 2025/26, which is the maximum permissible amount this year. (i.e. schools would be guaranteed at least the same per pupil funding for pupil-led funding in 2025/26 as in 2024/25).
- Any modest, residual headroom be allocated on a flat per pupil rate, with any amount that cannot be allocated by a per pupil amount to two decimal places (i.e. rounding) be distributed by adjusting the lump sums.

15.21. Schools Forum supported this approach, and the resulting formula values and individual school budgets are set out in Appendix 5.

15.22. Those figures have been submitted to the ESFA by their deadline of 22 January 2025. The only difference between the figures presented to Schools Forum and those submitted relate to the notional SEND budget. Slough's approach has been to deem that the only components of the notional SEND budget are the deprivation factors and the low prior attainment factors. This approach, however, was only sufficient to indicate an estimated £5,800 per pupil, whereas the minimum level is expected to be £6,000. The balance has been achieved by attributing a small amount (0.5%) of the age-weighted pupil to the notional SEND budget. This does not affect any individual school's budget allocation: the notional SEND budget is a memorandum item and does not drive any of the formula allocations to schools.

15.23. ESFA require confirmation by 28 February 2025 that there is political support for the mainstream funding formula approach reflected in the figures provided to them.

15.24. For future years, officers recognise that the PFI factor in the Schools Block formula does not cover the full affordability gap for the existing PFI contract. For a PFI contract that is solely for schools, all of the affordability gap ought normally to be charged to the DSG. With the existing Schools Block contribution of £1m, the £2.6m PFI affordability gap reduces to £1.6m each year. Because one of the three schools in the PFI contract is a special academy, around one-third (£0.8m) of the gross gap can be charged to the High Needs Block. The remaining £0.8m may be able to be charged to the Schools Block in future years, but this is dependent on officers completing a PFI affordability model to the satisfaction of the DfE. Officers will be pursuing this approach in collaboration with Schools Forum,

15.25. **The early years funding formula** was considered by a working group in the autumn term 2024, involving early years settings. Four possible options were presented and all settings were consulted on which was preferred. From that an option emerged which was supported by the consultees (22 in favour, with 10 in favour of a different option) and by Schools Forum.

15.26. The summary use of the early years DSG for 2025/26 are set out in the table below.

Proposed Early Years budget 2025/26, based on option 4, recommended by the working group										
Age-range	All pupils £'000	Deprivation £'000	Contingency £'000	Inclusion £'000	MNS	EYPP £'000	DAF £'000	Total for settings £'000	Centally retained £'000	GRAND TOTAL £'000
3&4YOs	£13,423	£263	£21	£50	£1,505	£212	£87	**£15,561**	£573	**£16,134**
2YOs	£4,740	£63	£6	£40	£0	£100	£26	**£4,975**	£202	**£5,177**
U2YOs	£4,553	£37	£14	£40	£0	£9	£7	**£4,659**	£193	**£4,853**
Total forecast commitments 2025/26	**£22,715**	**£363**	**£41**	**£130**	**£1,505**	**£321**	**£120**	**£25,195**	**£969**	**£26,164**

15.27. The formula values that underpin this are in the table below.

EY Funding Formula Factor	Current- all EY Providers	Proposed for 2025/26
3&4 rate		
Universal 15 hours	£6.27	£6.51
Extended (working parent) 15 hours		
Deprivation (mandatory supplement)	£0.73	£0.78
2 year old rate		
Disadvantaged 15 hours	£9.15	£9.46
Working parent 15 hours		
Under 2 year old rate	£12.50	£12.95

15.28. These proposals set out clearly how the early years funding will be allocated in 2025/26. Members are advised that the funding received from the DfE for Early Years DSG is not received on the same basis and there could be some discrepancies at year end between income and expenditure.

15.29. For 3&4 YOs and Deprivation-driven 2YOs, the EYDSG will be based on 5/12ths of the January 2025 pupil census and 7/12ths of the January 2026 pupil census, neither of which have yet taken place. There is no guarantee that termly payments and income will match the DSG approach.

15.30. For expanded 2YOs and U2YOs, EYDSG will be driven by termly counts, so variations are less likely to be material.

15.31. The modest contingency of £0.041m in the proposals provides some cover for adverse changes; beyond that, any shortfalls would need to factor into calculations for local funding rates in future years. Officers will need to focus their monitoring efforts during 2025/26, not just on the level of payments and costs incurred, but on the impact that participation levels will have on the adjusted Early Years DSG during the year.

15.32. **The High Needs budget** is the main focus of the Safety Valve agreement with the DfE. The difficulties outlined earlier around data quality, backlogs, demand increases etc in the High Needs Block need to be fully considered by officers in partnership with the Schools Forum. The proposed High Needs budget for 2025/26 is based on the status quo and for officers to work with Schools Forum to develop a more considered budget during the summer term 2025, reverting to Cabinet if there are material virements that are believed to be necessary. To this end, a high level budget has been set on the following principles:

- Continue to fund the places agreed in 2024/25, including any new ones agreed with the ESFA in November 2024 (£11.2m)
- Continue to fund top-ups at the same per pupil rates as in 2024/25 (£23.4m)
- Continue to fund the same set of high needs services as in 2024/25 (£3.4m)
- Set aside a provision for expected additional places that may be necessary (+£0.5m)
- Set aside a provision for increased demand for high needs top-ups (£2.5m)
- Total of £41.0m, £10.2m of which is currently expected to be recouped by ESFA, leaving £30.8m for the LA to manage. This may change during the year if further places are agreed, or if the January 2025 pupil census indicates changes in the incidence of inter-authority high needs placements (known as the import-export adjustment).

Table: Summary High Needs starting budget for 2025/26

Summary	**LA**	**ESFA**	**Total**
Places	£1,482	£10,236	**£11,718**
Top-Up	£25,914	£0	**£25,914**
Services	£3,404	£0	**£3,404**
DSG Income (including £0.825m transferred from Schools Block)	**-£30,800**	**-£10,236**	**-£41,036**

15.33. The challenges facing the High Needs budget need careful consideration to ensure:

- Delivery of the Safety Valve Agreement to secure DfE funding
- Suitable high needs provision for meeting local needs
- Sustainable funding for on-going local provision
- Value for money across the service
- Compliance with DSG funding regulations.

15.34. In summary, on the DSG, Members are invited to support the DSG funding arrangements set out in this section.

16. BUDGET RISKS

16.1. The budget for 2025/26 and MTFS considers financial risks that may materialise and if not mitigated will impact on the council’s resilience to manage within its resources. As part of approving the budget in February 2025, the Chief Finance Officer under Section 25 of the Local Government Act 2003 has reported on the robustness of estimates and adequacy of reserves. This includes an assessment of financial risks. The table below summarises the financial risk exposure to the council that is known as at the time of preparing this report. It is important to note that further work is continuing as described in the section 25 statement which may expose the council to further financial risk and will require appropriate controls implemented to mitigate the risk. Appendix 9 – Budget risks provides further detail and mitigations for each budget risk identified.

16.2. Budget risks have been assessed using the council's corporate risk management approach to evaluating risks.

Risk Category	Red £m	Amber £m	Yellow £m	Green £m	Total £m
MTFS	0.000				0.000
Funding			0.000		0.000
Inflation	3.195		1.317		4.512
Demand	5.000				5.000
Savings	1.595	5.302	0.083	4.909	11.889
Companies	9.700				9.700
Corporate				2.000	2.000
Financing costs		0.250		0.450	0.700
Reserves					0.000
DSG					
Total	**19.490**	**5.552**	**1.400**	**7.359**	**33.801**

16.3. The council has sufficient reserves in 2025/26 to manage the red risks should these risks not have sufficient mitigations in place. It is noted from the S25 statement that risks will need to be closely monitored during 2025/26 to limit the council to risk exposure and impact on financial resilience.

17. RESERVES

17.1. The council maintains usable reserves to fund specific projects including meeting specific commitments, provide a working balance to meet uneven cashflows or as a contingency to meet costs for unforeseen events or emergencies including risks should they materialise, that cannot be mitigated.

17.2. The table below shows a summary of the reserves held by the Council and the forecast balance as at 31 March 2025. As there remain several years of unaudited accounts including 2023/24 the figures are subject to change. By 31

March 2025 the council is expecting to hold reserves of £39.642m, of which £22.0m is set aside to meet unforeseen costs including any overspend in 2024/25 if risks materialise during the last quarter. £22.0m is 13.6% of net revenue expenditure.

	Balance at 1/4/2024	Transfers (to) /from reserves (24/25 Budget)	Transfers (to) /from reserves (Recovery Actions)	Other forecast movements	Forecast reserve position as at 31/3/2025
	£m	£m	£m	£m	£m
MTFS Reserve					
- Test and trace support grant	(0.385)	-	0.385	-	0.000
- Contain Outbreak Management Fund	(0.376)	-	-	0.376	0.000
- Transformational Reserve	(2.660)	-	-	-	(2.660)
- Directorate Carry forwards	(3.792)	3.792	-	-	0.000
MTFS Reserve total	**(7.213)**	**3.792**	**0.385**	**0.376**	**(2.660)**
Better Care Fund	(5.302)	-	2.817	-	(2.485)
Public Health Reserve	(2.543)	-	0.073	1.933	(0.537)
Public Health Contingency Funding	(0.008)	-	0.008	-	0.000
Proceeds of Crime POCA	(0.324)	-	-	-	(0.324)
Insurance	(0.232)	-	-	-	(0.232)
Budget Smoothing reserve	(7.749)	2.000	-		(7.749)
Redundancy/Severance Payments	(5.915)	-	-	-	(5.915)
Earmarked reserves total	**(29.226)**	**5.792**	**3.283**	**2.310**	**(17.842)**
Unallocated general fund balance	(21.000)	(1.000)	-	-	(22.000)
General fund reserves total	**(50.226)**	**4.792**	**3.283**	**2.310**	**(39.842)**

17.3. The table below includes an indicative profiled use of the reserves over the MTFS period, which shows an assumed use of £1,373 to fund the Finance Improvement programme and use of £2m from the Budget Smoothing Reserve in 2025/26 to establish a risk reserve. A planned contribution to GF Balance of £1m p.a. will ensure a total balance of £26.000m by 2029.

	Forecast reserve position as at 31/3/2025 £m	Forecast reserve position as at 31/3/2026 £m	Forecast reserve position as at 31/3/2027 £m	Forecast reserve position as at 31/3/2028 £m	Forecast reserve position as at 31/3/2029 £m
MTFS Transformational Reserve	**(2.660)**	**(2.660)**	**(2.660)**	**(2.660)**	**(2.660)**
Better Care Fund	(2.485)	(2.485)	(2.485)	(2.485)	(2.485)
Public Health Reserve	(0.537)	(0.537)	(0.537)	(0.537)	(0.537)
Proceeds of Crime POCA	(0.324)	(0.324)	(0.324)	(0.324)	(0.324)
Insurance	(0.232)	(0.232)	(0.232)	(0.232)	(0.232)
Budget Smoothing reserve	(5.690)	(2.382)	(2.317)	(2.317)	(2.317)
Risk Reserve	-	(2.000)	(2.000)	(2.000)	(2.000)
Redundancy/Severance Payments	(5.915)	(5.915)	(5.915)	(5.915)	(5.915)
Earmarked reserves total	**(15.183)**	**(13.875)**	**(13.810)**	**(13.810)**	**(13.810)**
Unallocated general fund balance	(22.000)	(23.000)	(24.000)	(25.000)	(26.000)
General fund reserves total	**(39.843)**	**(39.535)**	**(40.470)**	**(41.470)**	**(42.470)**

17.4. Rather than deplete reserves further, to fund the improvement and transformation work, including the development of the TOM, it is proposed to take advantage of the Government's intention to extend the Flexible Use of Capital Receipts initiative which will facilitate utilisation of excess HRA capital receipts generated during 2024/25, and which under the "no detriment" principle can be applied to support general fund one-off investment which will generate cashable savings. For the council to be financially sustainable in the longer term, it is imperative that the council can live within its resources and increase reserves to mitigate against unforeseen events or risks that may materialise. There is a further £2.215m held within the corporate contingency for risk which will be transferred to the risk reserve at the end of 2025/26 if this is not fully utilised.

17.5. The Flexible Use of Capital Receipts Strategy set out in Appendix 7 has been prepared in accordance with the statutory Guidance on the flexible use of capital receipts (updated August 2022) - GOV.UK and two codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contain guidance on capital receipts and local authority accounting that complement the Ministry of Housing, Communities and Local Government (MHCLG) guidance. These publications are:

the Prudential Code for Capital Finance in Local Authorities; and
the Code of Practice on Local Authority Accounting.

17.6. CIPFA publish a financial resilience index on key metrics across all English councils. One metric measures the percentage is usable reserves (excluding public health and schools). In 2023/24 the latest available information, council's nearest neighbours held between 20.51% and 87.48% of usable reserves compared to their net revenue expenditure (Slough 25.15%). Whilst this provides comparative data, the council will need to consider its reserve strategy.

17.7. As part of the council’s recovery and improvement plan, a reserves strategy will be developed that enables reserves to be replenished and set at an appropriate level to manage its financial health and risks.

18. CONSULTATION AND ENGAGEMENT

18.1. Cabinet will consider the current draft growth and savings proposals for input from relevant stakeholders, including residents, business community, partners, members and staff and other interested parties. The proposals do not yet fully provide a balanced budget for 2025/26 and further proposals will be necessary and present to Cabinet in February.

18.2. Engagement and consultation, as appropriate, began after Cabinet on 18 November 2024. The engagement and consultation activity was set to run for the maximum duration possible within the democratic decision setting process.

18.3. Online engagement began with a survey on the council’s Citizen Space platform seeking views on the overall budget. The survey consisted of a short set of questions covering corporate plan priorities, ways for councils to increase funds, proposed spending on core services and a question covering what services respondents currently use. The survey ran from 15 November 2024 to 5 January 2025. This was promoted through social media channels and the local media. The response was lower than expected or desired despite promotion during the engagement period. A total of 25 responses were received, which is too small a data sample for meaningful analysis. All comments received have been reviewed and the views shared considered as part of the process, taking care to avoid any risk of identification due to the small sample size. The consultation outcome is summarised in Appendix 10.

18.4. Separate consultation and/or engagement activity was arranged for specific proposals and issues relating to the budget. This included:

18.4.1. Consultation on proposals for new criteria for awarding Council Tax Support (CTS) which ran from 18 November 2024 to 29 December 2024.

19. IMPLICATIONS of the RECOMMENDATIONS

19.1. Financial implications

19.1.1. This report outlines the council’s approach for Cabinet to consider the budget 2025/26 and MTFS including the national and local context for developing next year’s budget. As such, the report is a financial report with implications set out throughout the report.

19.1.2. This report will be refreshed for the next Budget Cabinet meeting which in turn will be recommended by Cabinet for budget approval by Full Council in February 2025.

19.2. Legal implications

19.2.1. Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their Council Tax requirements in accordance with the prescribed requirements of that section. The function of setting the Council Tax is the responsibility of Full Council. This requires consideration of the Council’s estimated revenue expenditure for the year in order to perform its functions, allowances for contingencies in accordance with proper practices, financial reserves and amounts required to be transferred from general fund to collection fund. The Council is required to make estimates of gross revenue expenditure and anticipated income, leading to a calculation of council tax requirement for 2025/26 and the setting of an overall budget to ensure proper discharge of the Council’s statutory duties and to lead to a balanced budget. Whilst it is the Council’s responsibility to determine the council tax requirement, s.52ZB of the Local Government Finance Act 1992 requires each billing authority to determine whether its relevant basic amount of council tax for the following financial year is excessive. This decision must be made in accordance with a set of principles determined by the Secretary of State. In setting principles, the Secretary of State may determine categories of authority. The draft report on referendum limits for 2025-26 states that the relevant basic amount of council tax for a relevant authority is excessive if it is 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure).

19.2.2. Full Council is responsible for setting the overall budget framework. However, some of the proposed savings may be subject to further analysis and decision making and as such the savings are an estimate. Individual service decisions will be subject to officer or Cabinet approval, taking account of the statutory framework, any requirement to consult and consideration of overarching duties, such as the public sector equality duty. It is proposed to hold a risk reserve to manage the risks that some savings are not capable of full deliverability in 2025/26 and the risk of growth pressures.

19.2.3. On 1 December 2021 the Secretary of State for Levelling Up, Housing and Communities made a statutory direction requiring the Council to take prescribed actions and that certain functions be exercised from this date by appointed Commissioners, acting jointly or severally. A new direction was made on 20 November 2024. The functions to be exercised by the Commissioners include the requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Council's financial affairs, and all functions associated with the strategic financial management of the Council, including providing advice and challenge to the Council in the setting of annual budgets and a robust MTFS, limiting future borrowing and capital spending. The Explanatory Memorandum to this Direction confirms that in practice most decisions are expected to the taken by the Council, however the Directions are designed to give the Commissioners the power to tackle weaknesses identified to ensure the Council is better equipped to meet the best value requirements. Cabinet must take account of the advice and comments of the Commissioners as set out in this report.

19.2.4. Under s.25 of the Local Government Act 2003, the chief finance officer must report to members on the robustness of estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves. Both Cabinet and Full Council must have regard to this report when making recommendations and decisions about the calculations. Under the Local Government and Finance Act 1988, the Council's Chief Finance Officer (s.151 officer) has duties to report to Council in prescribed circumstances. This includes if it appears to her that the expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including borrowed) available to it to meet that expenditure. When making such an assessment, exceptional financial support from MHCLG can be taken into account. This permits capital or borrowing to be used to fund a proportion of revenue costs in accordance with the capitalisation direction.

19.3. Risk management implications

19.3.1. Financial risks and mitigations have been included in earlier in this report.

19.3.2. As part of approving the budget in February 2025, the Chief Finance Officer under Section 25 of the Local Government Act 2003 will report on the robustness of estimates and adequacy of reserves. This includes an assessment of financial risks. A budget risk summary has been included earlier in this report and detailed in Appendix 9.

19.4. Environmental implications

19.4.1. There are no specific environmental implications arising from this report.

19.5. Equality implications

19.5.1. Guidance from the Equality and Human Rights Commission advises that the public sector should see individual decisions within the wider context of decisions made, so that people who share protected characteristics are not unduly affected by the cumulative effects of different decisions. This means that alongside ensuring that equality impact assessments are carried out for individual decisions that have a material impact on staff or residents, the Council should also undertake a cumulative impact assessment when there are a range of savings or changes being proposed at the same time. The cumulative impact assessment helps us to understand:

a) the compounding impacts on a specific equality or vulnerable group that arise from changes across a set of services;
b) the knock on impact on other services arising from a change to a Council Service

19.5.2. A cumulative impact assessment helps to inform final decisions and identify cross cutting mitigations needed which may need to be made at a corporate level – through corporate planning, communications or transformation, for example.

19.5.3. **Review of equality impacts**

19.5.4. During the budget setting process equality impacts were identified for the different components of the budget where changes were proposed.

19.5.5. The **review of the growth proposals** identified that most proposals are seeking to re-base the budget in line with demand and growing pressures. This means that this growth is unlikely to make a positive impact, but it will mitigate worsening impacts from increased demand on residents in temporary accommodation, disabled children and people in receipt of adult social care support (older people and disabled people).

19.5.6. The **review of savings** concluded that the majority of savings related to income generation or efficiencies. The main groups impacted would be impacted by the increase in fees and charges in adult social care- older people and disabled people and low income groups who are in debt to the Council. A number of proposals impact on motorists and impact assessments will be needed to identify if any specific equality group is impacted.

19.5.7. The **Equality Impact Assessment, of the Council Tax Support Scheme,** informed by the consultation exercise, identified that low income groups were most likely to be impacted by the scheme, and specifically children and families.

19.5.8. The **increase in Council Tax** will impact all groups but the increase will be a greater proportion of household budgets for low income groups.

19.5.9. **The budget includes proposals to reduce the establishment by 5%**. The Equality Impact of each proposal will need to be identified, full equality impacts and consultations will be required when there is an impact on staff or residents and the cumulative impacts will need to be added to the existing cumulative impact assessment.

19.5.10. The Schools' Budget is set in accordance with the National Funding Formula. Where the Council has discretion over budget levels is with regards to the High Needs Block. These have been maintained at the current levels. There is therefore currently no cumulative impact arising from the decisions in this Budget Report in relation to the Schools Budget or High Needs Block Budget. Further work will be done in the summer term to review this allocation, as improving SEND provision remains a top priority, and as part of this, tackling the backlog in Education and Health Care Plans (EHCPs). The equality impact assessment of these plans will be undertaken and shared with the Schools Forum and presented as part of Cabinet Papers. The equality impact assessment will inform the updates of the cumulative impact assessment, as it will be kept under review and updated periodically

19.5.11. Conclusions and next steps

Th**e following groups** have been identified as impacted cumulatively by the budget proposals:

Low income groups including those who are in debt to the Council:

- Groups who are from **Black and Asian groups** (whilst nationally White groups are less likely to be on low incomes, Slough has groups who fall into the **"other White" group who are likely to be in low income groups, including a significant Polish population).**
- As a faith group, nationally **the Muslim community** is more likely to be on a low income
- **Disabled people –** Disabled children are more likely to be in low income households and disabled adults, in receipt of social care support, particularly older people will also be impacted by review of fees and charges.
- **Children and families** are a specific group because of the number of households claiming Council Tax support who have children. Within this group, are single parent families and they are most likely to be headed up by women)

A number of proposals impact on **motorists** and impact assessments will be needed to identify if any specific equality group is impacted.

The equality impacts arising from the proposals to reduce the staffing establishment are not yet fully identified and will need to be kept under review.

Next steps in response to Cumulative Equality Impact Assessment

- The council has established a Design Authority to support the implementation of change. The cumulative impacts arising from these proposals will be kept under review by the Design Authority to make sure that the Council understands and can respond to equality impacts arising from individual proposals and cumulatively.
- Where proposals are still under development, business cases should fully assess equality impacts and identify the need for and carry out consultation as required. The Design Authority will keep this under review. For example the proposals identified above that affect motorists will need to be reviewed to ensure any disproportionate impact on equality groups is understood and responded to.
- Given the impacts on low income groups, including those in debt, it is recommended that the Council works across its services (Children’s, Adults, Health, Housing and Customer Services) and with partners including the Slough Poverty Forum, the faith community and the voluntary and community sector to offer more co-ordinated and targeted support to maximise income and tackle poverty. This will ensure that all resources that can support residents (including Household Support Fund and the Council investment in the voluntary sector) are designed collaboratively and targeted proactively. To support this, a refreshed profile of groups in on low incomes and in poverty in Slough is being developed and will be used as a resource pack.

19.6. Procurement implications

19.6.1. Any changes that result in changes to supplies and services contracts are subject to the Procurement Regulations and Council’s procurement rules.

19.7. Workforce implications

19.7.1. The council has a draft workforce strategy that will focus on four pillars: Building brilliant basics, empowering our leaders, fostering a healthy workplace and inclusive culture and enabling learning and development. The vision for our workforce will require a learning development budget aligned to previous years to allow us to invest in line managers and broader staff cohorts. The focus will be to upskill line managers on leading people through change and inclusive recruitment practices. In addition, we are keen to provide opportunities to develop our staff and introduce talent programmes.

19.7.2. The council's approach to managing workforce change will be to continue to partner all Directorates to workforce plan focusing on reducing their reliance on interims and reviewing service offers, which may lend themselves to reorganisations. Where any reorganisations take place, HR will partner the business to ensure we prioritise redeployment of colleagues ahead of redundancy.

19.7.3. Unions and staff members affected by the saving proposals will be consulted upon. The following table outlines the impact on the general fund HR budgeted establishment.

	Headcount	**FTE**
Budgeted HR establishment	1,362.00	1,188.30
Deletion of vacant roles	-39.0	-39.0
Redeployment / consultation	-14.0	-12.7
Newly created roles	7.0	7.0
Final budgeted HR establishment	**1,316.00**	**1,143.62**

The following table expands on roles affected by redeployment / consultation, indicating reduction in roles by Directorate and grades impacted:

Grade	Adult Social Care	Children's Service	Corporate Services	Strategy and Transformation	Total FTE
4				-4.0	-4.0
5	-1.0		-1.0		-2.0
6		-1.0	-1.7	-1.0	-3.7
7		-1.0	-2.0		-3.0
Total FTE	**-1.0**	**-2.0**	**-4.7**	**-5.0**	**-12.7**

19.8. Property implications

19.8.1. The Council is continuing its asset disposal programme as part of its recovery programme. The asset disposal strategy is recommended to Cabinet during their November 2024 meeting which includes disposal of operational assets. The budget proposals include the revenue savings associated with the disposal of operational assets and the relocation or changes in service provision.

Appendix 1 – Section 25 Statement of the Section 151 Officer (TO FOLLOW)

Appendix 2 - Council Tax Resolution

The Council is required to calculate and set its Council Tax for 2025/26 as required by law by 11th March in the preceding financial year to the year in which the charges will be made.

Recommendations:

1) An increase in the Council's element of the Council tax for a band D property by £91.40 for 2025/26, giving a band D Council Tax of £1,923.09 per year, excluding the precepts from Police, Fire and parishes.

2) This equates to an increase in the Council's general band D Council Tax by 2.99%, being the maximum permitted without a referendum; and an increase in the Council's Adult Social Care Precept by 2.00% as confirmed by Government in the Local Government Settlement.

3) (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 2026 is as specified below and that the Council Tax be levied accordingly.

(b) That it be noted that at its meeting on 20th January 2025 Cabinet calculated the following Tax Base amounts for the financial year 2025/26 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:

(i) 44,974.9 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 2025/26 and

(ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2025/26:

Parish	2025/26 Band Tax Base
Parish of Britwell	879.7
Parish of Colnbrook with Poyle	1,885.8
Parish of Wexham Court	1,437.4

(c) That the following amounts be now calculated for the year 2025/26 in accordance with sections 31A to 36 of the Act:

(i) £419,926,352 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) £333,161,300 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) £86,765,052 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) £1,929.19 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 2025/26 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £274,173 representing the total of Parish Precepts for that year.

(vi) £1,923.09 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

Valuation Bands

Band	Slough	Britwell	Colnbrook with Poyle	Wexham Court
A	1,282.06	45.11	36.75	51.33
B	1,495.74	52.63	42.88	59.89
C	1,709.41	60.15	49.00	68.44
D	1,923.09	67.67	55.13	77.00
E	2,350.44	82.71	67.38	94.11
F	2,777.80	97.75	79.63	111.22
G	3,205.15	112.78	91.88	128.33
H	3,846.18	135.34	110.26	154.00

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 2025/26 (excluding Parish precepts) is £86,490,879.

(ix) That it be noted that for the year 2025/26 that the Thames Valley Police Authority precept will increase by £14.00 for a Band D property. The Police & Crime Panel at its meeting on 24th January 2025 endorsed the PCC's proposed 5.20% increase in the Police element of Council Tax for 2025/26.

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	188.85
B	220.33
C	251.80
D	283.28
E	346.23
F	409.18
G	472.13
H	566.56

(x) That it be noted that for the year 2025/26 the Royal Berkshire Fire Authority has consulted on increasing its precept by £5 at band D in accordance with section 40 of the Act. For each of the categories of dwellings, the expected Council tax charge is shown below:

Band	Royal Berkshire Fire Authority £
A	57.54
B	67.13
C	76.72
D	86.31
E	105.49
F	124.67
G	143.85
H	172.62

(xi) Note that arising from these recommendations, and assuming the major precepts are agreed, the overall Council Tax for Slough Borough Council for 2025/26 including the precepting authorities will be as follows:

Band	Slough Area	Office of the Police and Crime Commissioner (OPCC) for Thames Valley	Royal Berkshire Fire Authority	Total
	£	£	£	£
A	1,282.06	188.85	57.54	1,528.45
B	1,495.74	220.33	67.13	1,783.20
C	1,709.41	251.80	76.72	2,037.93
D	1,923.09	283.28	86.31	2,292.68
E	2,350.44	346.23	105.49	2,802.16
F	2,777.80	409.18	124.67	3,311.65
G	3,205.15	472.13	143.85	3,821.13
H	3,846.18	566.56	172.62	4,585.36

With the parish precepts, the Council Tax will be:

Band	Slough + Preceptors unparished	Britwell	Colnbrook with Poyle	Wexham Court
A	1,528.45	1,573.56	1,565.20	1,579.78
B	1,783.20	1,835.83	1,826.08	1,843.09
C	2,037.93	2,098.08	2,086.93	2,106.37
D	2,292.68	2,360.35	2,347.81	2,369.68
E	2,802.16	2,884.87	2,869.54	2,896.27
F	3,311.65	3,409.40	3,391.28	3,422.87
G	3,821.13	3,933.91	3,913.01	3,949.46
H	4,585.36	4,720.70	4,695.62	4,739.36

(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 expected precept of the Fire Authority, which has currently been included based on a consultation amount, or parish precepts, the Section 151 Officer is delegated authority to enact all relevant changes to the Revenue Budget 2025/26 Statutory Resolution and council tax levels.

Appendix 3 – Proposed budget 2025/26 by Directorate

	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Service Budgets:										
Adults Services	35.572	42.203	-6.420	14.939	0.636	-4.943	0	0.440	0	46.855
Children's Services	10.452	11.989	-1.316	1.555	0.155	-0.346	0	0	0	12.037
Slough Children First	39.043	36.791	2.166	0	0	-0.690	0.086	0	0	38.353
Regeneration, Housing & Environmer	14.583	19.401	-4.401	11.138	0.312	-3.335	0	-2.100	0	21.015
Public Health & Public Protection	1.350	0.900	0.558	0	0	-0.156	0	0	0	1.302
Chief Exec's Office	3.418	6.068	-2.527	0	0	-0.581	-0.160	0	0	2.800
Law and Governance	2.173	1.916	0.289	0	0.011	-0.117	0	0	0	2.099
Corporate Services	12.560	15.029	-1.087	1.076	0.170	-1.806	0.106	0.025	0	13.513
Total Service Budgets	**119.151**	**134.297**	**-12.738**	**28.708**	**1.284**	**-11.974**	**0.032**	**-1.635**	**0**	**137.974**
Corporate Budgets:										
Other Corporate Budgets	11.419	2.964	6.048	1.454	1.383	0	-3.541	0	0	8.308
Contribution to/ from Reserves	-1.000	-7.690	6.690	0	0	0	0	0	0	-1.000
Pension Deficit	5.014	5.014	0	0	0	0	0.190	0	0	5.204
Minimum Revenue Provision	16.114	16.114	0	0	0	0	-2.347	0	0	13.767
Capital Financing	9.503	9.503	0	0	0	0	1.972	0	0	11.475
Total Corporate Budgets	**41.050**	**25.905**	**12.738**	**1.454**	**1.383**	**0**	**-3.726**	**0**	**0**	**37.754**
Total Expenditure	**160.202**	**160.202**	**0**	**30.162**	**2.667**	**-11.974**	**-3.694**	**-1.635**	**0**	**175.728**
Funded By:										
Council Tax Income	-81.251	-81.251	0	0	0	-0.200	0	-5.240	0	-86.691
Council Tax (Surplus) / Deficit	-1.173	-1.173	0	0	0	0	0	0.474	0	-0.699
Business Rates - Local Share	-41.421	-41.421	0	0	0	0	0	-0.972	0	-42.393
Business Rates (Surplus) / Deficit	5.115	5.115	0	0	0	0	0	-7.115	0	-2.000
Revenue Support Grant	-7.786	-7.786	0	0	0	0	0	-0.238	0	-8.024
Targeted Deprivation Funding Stream	0	0	0	0	0	0	0	-3.219	0	-3.219
Other Government Grants	-10.608	-10.608	0	0	0	0	0	-6.384	0	-16.992
Capitalisation Direction	-23.078	-23.078	0	0	0	0	0	0	7.369	-15.709
Total Funding	**-160.202**	**-160.202**	**0**	**0**	**0**	**-0.200**	**0**	**-22.694**	**7.369**	**-175.727**
General Fund Balanced Budget	**0**	**0**	**0**	**30.162**	**2.667**	**-12.174**	**-3.694**	**-24.329**	**7.369**	**0**

1. **Appendix 3 Adults Services**

Adults Services	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Safeguarding Partnership Team	0.533	0.579	-0.785	0.289	0.636	-0.051	0	0	0	0.668
Commissioning	-0.569	-1.308	0.869	0.210	0	-0.024	0	-0.932	0	-1.185
People Adults Management	-4.138	-7.136	3.137	2.198	0	0.300	0	1.372	0	-0.129
Localities Social Work	18.577	23.078	-3.173	4.416	0	-3.807	0	0	0	20.514
Community Team for People with Le	14.206	15.761	-1.775	3.616	0	-0.662	0	0	0	16.940
Rehabilitation, Recovery and Reabler	0.223	1.042	-1.012	0.406	0	-0.157	0	0	0	0.279
Mental Health	6.740	10.187	-3.680	3.804	0	-0.544	0	0	0	9.767
Total Adults Services	**35.572**	**42.203**	**-6.419**	**14.939**	**0.636**	**-4.945**	**0**	**0.440**	**0**	**46.854**

2. Investment into the community and voluntary sector has seen the development of a Community directory of Services, enabling residents to find services to meet their needs and interest within their local communities and expansion of the One Slough fund which in the first round of funded supported 27 local groups. The community and voluntary sector have then secured £2.5m additional funding
3. Reablement to ensure individuals can access short-term, therapy-led support during their recovery, a comparison exercise was conducted, indicating that by the end of P9 in 2023/24, spending on D2A was £401K, while for the same period in 2024/25, it was £329K.
4. Several initiatives have been undertaken to maximise the use of TEC to promote individual's independence and reduce their reliance on support from ASC. Some innovative initiatives have been introduced to decrease the level of equipment provided to care homes, along with an initiative aimed at increasing equipment recycling through dedicated recycling bins located at Chalvey Road and Observatory House. we have increased our recycling levels by 7% in comparison to last year, circa £20K per month.

5. Initiatives have been implemented to ensure that the appropriate individuals are referred to this short-term service and that people exit the service in a timely manner. By mid-December, we have achieved approximately £390,000 in efficiencies, which resulted in individuals leaving reablement either with no services or with reduced services. To review the impact of the above initiatives, a comparison exercise was conducted, indicating that by the end of P9 in 2022/23 spending on Reablement was £691K, while for the same period in 2023/24, it was £307K.
6. There is a strong and effective co-production network, working alongside the council to develop new strategies and ways of working. A number of events have been arranged targeted at Carers, raising the awareness of carers and the support available to them

Appendix 3 Children's Services

Children's Services	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Learning, Skills & Employment	0.209	0.161	0	0	0	-0.079	0	0	0	0.082
Libraries	0.869	0.792	0.100	0	0.155	0	0	0	0	1.047
Management	3.119	3.130	0	0	0	0.013	0	0	0	3.143
Place Management Ch	0.316	0.325	0	0	0	0	0	0	0	0.325
School Services	3.487	3.945	-0.500	0.500	0	-0.140	0	0	0	3.805
Early Help Hub	0.197	0.270	0	0	0	-0.040	0	0	0	0.230
Children´s Centres / Family Hubs	0.697	0.773	0	0	0	-0.100	0	0	0	0.673
School Effectiveness	0.301	0.307	0	0	0	0	0	0	0	0.307
Music Service	0.003	0.009	0	0	0	0	0	0	0	0.009
Inclusion	0.950	1.849	-0.853	1.055	0	0	0	0	0	2.051
School Transport	0.305	0.368	0	0	0	0	0	0	0	0.368
Other School Grants	0	0.063	-0.063	0	0	0	0	0	0	0
Total Children's Services	**10.453**	**11.992**	**-1.316**	**1.555**	**0.155**	**-0.346**	**0**	**0**	**0**	**12.040**

Nature of the Service

The directorate covers all education related services, including statutory responsibilities to schools. The services are:

• Admissions (Including Home to School Transport)

• Attendance (including Elective Home Education and Children Missing Education)

• SEND

• Education Psychology

• Children's Centres

• Early Years

- School Effectiveness
- Music
- Learning, Skills and Employment

Appendix 3 - Slough Children First

Slough Children First	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Slough Children First	39.043	36.791	2.166	0	0	-0.690	0.086	0	0	38.353
Total Slough Children First	**39.043**	**36.791**	**2.166**	**0**	**0**	**-0.690**	**0.086**	**0**	**0**	**38.353**

Slough Children First deliver Children's Social Care services on behalf of and alongside Slough Borough Council. It is a company wholly owned by the Council and its running is overseen by a Company Board. The Chief Executive and DCS is Sue Butcher, and the Chair of the Board is Simon Baker.

Our vision for children in Slough is that they will be Happy, Safe & Loved, Thriving and how we set out to achieve this is set out in our Business Improvement plan.

Social Care Services for children includes the extra support and help that families need sometimes which is called Early Help. We also work with children where their parents' and/ or family are struggling to take care of them for various reasons, including illness, poverty, substance use, violence etc. We call this work child protection. Some children may need to be looked after outside of their family and they may become 'looked after' and we also work with children and young people who need this support which we broadly call corporate parenting. We regularly support over 1500 children who are in need of extra help or who need help or protection. We also support around 200 young adults who are care experienced where we continue to support them as children leaving our care up to the age of 25.

Over the last year we have worked closely with our partners, including SBC to make sure that the services we provide to children and their families make a positive difference to their lives. We are proud of the improvements we have made in increasingly challenging financial times.

Our 25/26 plan builds on delivering the right support and services to families and children that are value for money. Our 25/26 ambitions are to recruit more foster carers, create our own in house residential home and care leavers hub, and develop relationships with SBC and community partners to support children and families in the right way at the right time with the appropriate lead practitioner. Good practice costs less than poor practice and with the DfE mandated reforms in their paper "Keeping Children Safe, Helping Families thrive", we need to reform and redesign our services during 25/26 to be able to meet these welcome changes and focus on preventative services over statutory intervention.

Appendix 3 Regeneration, Housing & Environment

Regeneration, Housing & Environment	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Housing (excluding HRA)	2.386	6.813	-4.401	7.265	0	-0.244	0	-2.100	0	7.333
Planning	0.670	0.694	0	0	0	-0.403	0	0	0	0.291
Property & Estates	0.432	0.595	0	1.413	0	-0.919	0	0	0	1.089
RHE Management	0.726	0.765	0	0.827	0.312	-0.096	0	0	0	1.808
Environment & Infrastructure	10.369	10.533	0	1.634	0	-1.673	0	0	0	10.494
Total Regeneration, Housing & Environment	**14.583**	**19.400**	**-4.401**	**11.139**	**0.312**	**-3.335**	**0**	**-2.100**	**0**	**21.015**

Property & Assets

The Property & Assets functions at SBC encompass a broad spectrum of responsibilities, ensuring operational efficiency and strategic planning of the council's property portfolio. On the operational side, building management handles the day-to-day maintenance of SBC's properties, including cost management, building surveying, and energy utilities. This also involves compliance with regulations such as asbestos management, fire risk assessments, and DDA compliance. Additionally, the department oversees mechanical and electrical services, carbon reduction initiatives, and legionella monitoring, ensuring all properties are safe and well-maintained.

Facility management covers a range of services, from housekeeping and grounds maintenance to corporate office management and reception services, ensuring that all facilities are functional and welcoming. Property management includes vacant property inspections, lease renewals, commercial rent collection, and maintaining the financial and physical integrity of the council's assets. The capital programme further supports these efforts by managing projects across schools and other corporate buildings, ensuring that infrastructure meets the community's evolving needs.

On the strategic side, the focus is on supporting services and creating future estate strategies to ensure that the council can deliver services effectively from the proper buildings in the right locations. This includes disposing of assets in line with the Capitalisation Directive and making acquisitions to support various services. The strategic management team also handles corporate health and safety across the council, ensuring a safe working environment for all employees. By integrating these operational and strategic functions, SBC can efficiently manage its property portfolio, supporting immediate needs and long-term goals. This comprehensive approach ensures that the council's assets are well-maintained and strategically aligned with the broader objectives of serving the community. Furthermore, the strategic asset strategy and planning initiatives help forecast future needs and align resources accordingly, ensuring that the council remains proactive rather than reactive in its property management approach.

The Environment & Highways Division is responsible for ensuring that the borough looks and feels well managed, including all paths, roads, residential streets, town centres as well as parks and open spaces. This includes the removal and disposal of all refuse and street litter, management of our green spaces and ensuring our pathways and roads are safe and clear. We also deliver major projects like the delivery of the A4 cycle way and Destination Farnham Road schemes for which we have central government grant funding. The broad list of functions by service area is below:

Environment Services

- **Waste Management:** Collecting and disposing of household and commercial waste, recycling services, and waste education initiatives. Compliance with the authority's Waste Permit.
- **Street Cleansing -** General street cleansing and waste collection e.g. fly tipping
- **Transfer station:** Waste disposal site for both commercial and household waste with weighbridge.
- **Household Waste and Recycling Centre:** household waste disposal site for Slough residents
- **Grounds maintenance:** undertaking grounds maintenance for the borough’s parks and open spaces, highways and SBC housing stock
- **Fleet management:** Operational management of the fleet of council owned vehicles and compliance with the authority's Operators Licence.
- **Parks and Open Spaces:** Parks and open spaces management and development of public parks, nature reserves, community gardens and the borough's trees..
- **Allotment Services:** management of the boroughs 9 allotment sites available for rent
- **Cemetery & Crematorium:** Managing cremations and burials from the SBC owned site on Stoke Road.

Highways Functions

- **Road Maintenance:** Repairing and maintaining all adopted highway (footways and carriageways) , - Potholes, resurfacing, Street furniture, all road markings and existing signage.
- **Highways Inspections** - Inspecting all road as per statutory duty and Insurance claims

- **Winter Services:** Managing winter maintenance programme including salt levels and instructing the gritting roads during Oct – March.
- **Gully Cleaning** – Manage borough wide gullies cleaning schedule.
- **Flooding –** Managing culverts, ditches, Stoke Park inspections , hotspot areas and resolutions.
- **Minor Projects –** Delivering minor work projects
- **Streetwork Permits** – Managing all Permits from Statutory undertakers, developers and SBC work including Inspections.
- **Streetworks Licences** – Managing all Highway and StreetWorks licences.
- **Traffic Orders** – Managing all road closures legal orders.
- **Parking Enforcement** - on street, carparks and bus lanes, permits and disabled bays
- **Penalty Charge Notice Processing –** Management all statutory process of parking tickets
- **Parking Development –** Implement all new parking schemes and manage traffic regulations

<u>Transport Functions</u>

- **Street Lighting:** Installing and maintaining streetlights to ensure public safety.
- **Public Transport Coordination:** Liaising with transport providers to ensure efficient services and infrastructure., Managing the installation and maintenance of bus shelters
- **Major Projects:** Delivering major highways and transport infrastructure improvements to modernise the highway network.
- **Traffic Signals :** Installing and maintaining Intelligent Transport Systems including VMS and Traffic signals.
- **Integrated Transport and Road safety** - Delivering minor highway works to improve walking, cycling and road safety. Promoting active travel through bikeability, e-scooters and other active travel soft measures at schools and businesses.
- **Public Rights of Way** : Maintaining PROW in Slough .
- **Bridge Maintenance** - Maintaining bridges and abnormal load routes in Slough

Appendix 3 Public Health & Public Protection

Public Health & Public Protection	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Public Health	0	-0.086	0.086	0	0	0	0	0	0	0
Community Safety, Housing Regulatio	1.866	1.899	0.126	0	0	-0.080	0	0	0	1.945
Leisure	-1.266	-1.678	0.322	0	0	0	0	0	0	-1.356
Public Protection	0.582	0.593	0.013	0	0	-0.076	0	0	0	0.530
Emergency Planning	0.168	0.172	0.012	0	0	0	0	0	0	0.184
Total Public Health & Public Protec	**1.350**	**0.900**	**0.559**	**0**	**0**	**-0.156**	**0**	**0**	**0**	**1.303**

Public Health budget is a ring fenced grant of £8.2m from the Department of Health and Social Care. There are conditions on the grant to deliver the Public Health duty within National Health Service Act (2006) and the Health and Social Care Act (2012) - to improve health and reduce health inequalities. In addition to this there are prescribed and non- prescribed functions to deliver/commission. These include;

- Health Protection assurance and support to UKHSA
- Advice to the ICB on population health and healthcare public health
- Commission – open access sexual and reproductive health services, 0-19 Healthy Child Programme (Health Visiting and School Nursing) including the National Childhood Measurement Programme (NCMP), NHS HealthChecks.
- Substance misuse services
- Smoking cession and tobacco control
- Oral Health
- Mental and Emotional wellbeing
- Healthy Weight, Food and Obesity

In addition to the overall PHG the LA receives;

- £211k annually for 5 years for tobacco control to become a smokefree generation.

- £798,808 in 2025/26 for Drug and Alcohol Treatment, Recovery and Improvement to deliver the National Harm to Hope strategy. In addition to our commissioned substance misuse services (£277,256 of this is indicative funding at present and subject to ministerial approval).

A successful bid to the National Institute of Health Research, to match funded a research officer post to improve our research capacity. £50k over 2 years.

Working with Get Berkshire Active has secured £237k from Sport England to improve Physical Activity in Britwell.

Leisure Services:

The Leisure Services Budget totals £1.9m, funded through an income-generation management fee paid quarterly in arrears by our leisure provider, Everyone Active.

Leisure Services are delivered across four SBC-owned facilities:

1. The Centre**, Farnham Road**
2. Slough Ice Arena
3. Langley Leisure Centre
4. Salt Hill Activity Centre

Community Development: F002

Asset based community development – there are 3 posts within the establishment, but currently only one senior community development officer in post. Their role is to work with the community to build social capital to enable communities to recognise their strengths and potential. Strengths based models create sustainable communities that work together to action things that are important to them. A strong asset-based community development approach should lead to less reliance on statutory services.

Public Protection:

Regulatory Services to protect communities and enhance the Borough.

Community Safety

Co-ordinates the Statutory Safer Slough Partnership that aims to reduce crime and disorder through joint efforts of key stakeholders. Organise programs for domestic abuse (DA), serious violence, anti-social behaviour and safer streets in close liaison with police partners. Co-ordinate the Public Spaces Protection

Order (PSPO) to deter street drinking. Produce statutorily required strategies and action plans to concentrate partnership efforts to reduce crime, and fear of crime, including Serious Violence reduction, Domestic Abuse and Prevent strategies. Lead our statutory partnership response to the Prevent program. Delivering our duty under Domestic Abuse Act to ensure that DA victims and their children can access right support in safe accommodation.

Housing Regulation

Assessment and enforcement of all housing standards in private rented housing sector. including the enforcement of relevant legislation to ensure landlords deliver and maintain well managed, safe and compliant accommodation in this sector. Deliver mandatory licensing scheme for Houses of Multiple Occupation (HMOs) and develop discretionary and/or selective licensing schemes of HMOs where conditions allow. Investigating and enforcing under our duties of Housing Act parts 1 – 4 regarding housing conditions and safety. Using an enforcement approach that includes the education of landlords to encourage compliance with relevant legislation.

Food/ Health and Safety

Food safety and food hygiene of all commercial business. Food controls according to the Food Standards Agency Food Law Code of Practice that stipulate inspection frequency of all food businesses; samples to be taken; food complaints and investigation practice. All associate enforcement to ensure compliance in these businesses is undertaken by this team. Health and Safety regulation and interventions including accident investigations and complaints and foodborne disease investigations. We regulate imported food through food import and export certification.

Resilience and Environmental Enforcement

Environmental crime assessment and enforcement including abandoned vehicles, fly tipping and abandoned waste, noise and other statutory nuisance complaints. Work with other departments to use the most effective controls available to improve the environment for Slough including work with the Environment Agency. Public health burials where the authority arranges the burial of those in the community who have family to carry this out. Statutory duties under the Animal Welfare Act including investigation and enforcement of animal neglect and mistreatment and our statutory responsibilities to remove stray animals.

Licensing

The Licensing team issues, enforces and checks compliance of over 40 types of licenses, permits and consents including alcohol, taxis, gambling, cosmetic procedures, sex shops, scrap metal dealers and public entertainment licenses.

Trading Standards

Trading standards, has responsibility for multiple pieces of legislation with duties in protecting consumers and businesses in amongst other things; weights and measures, product safety, animal health, food standards (labelling etc) doorstep crimes and underage sales. The team works with immigration and other law enforcement bodies to collaborate on a number of joint enforcement and protection initiatives.

Emergency Planning

As a Category 1 responder under the Civil Contingencies act the Emergency Planning team are responsible for ensuring the Local Authority meets its obligations which include having robust response arrangements, emergency plans and regular testing and exercising.

The Emergency Planning function is a co-operative partner of the Thames Valley Local Resilience Forum that co-ordinates shared training and understanding, and mutual aid across the Thames Valley area.

Appendix 3 Chief Exec's Office

Chief Exec's Office	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Chief Executive	0.356	0.377	-0.017	0	0	0	0	0	0	0.360
Communications	0.388	0.410	0.007	0	0	-0.042	0	0	0	0.375
Customer Services	1.294	1.337	0.018	0	0	-0.100	0	0	0	1.255
Strategy	-0.387	-0.387	0	0	0	0	0	0	0	-0.387
Strategy & Innovation	1.271	1.098	0.196	0	0	-0.098	0	0	0	1.196
Transformation	0.497	3.233	-2.731	0	0	-0.340	-0.160	0	0	0.002
Total Chief Exec's Office	**3.419**	**6.068**	**-2.527**	**0**	**0**	**-0.580**	**-0.160**	**0**	**0**	**2.801**

Strategy, Change and Resident Engagement

Strategy, Change and Resident Engagement is based in Chief Executives and brings together a corporate and strategic set of functions that collectively focuses on delivering the corporate strategy, improving resident experience, driving improvement and recovery, and developing a new operating model for the Council.

The directorate leads on embedding equality, diversity and inclusion, evidence-based decision making and performance management. We are the first point of contact for many residents, through customer services, complaints and members case work, and we lead on communications and on co-ordinating how we engage with residents and with partners, across the Council and the system.

Through all of this work we are seeking to improve and transform the Council, build trust and confidence with residents, tackle inequality and achieve better outcomes for residents.

There are 80 full-time equivalent staff in total. The largest service is our customer services and complaints team. Those working on improvement and recovery and the future operating model are fixed term or interim and funded by Transformation Funding.

The Directorate is led by the Director of Strategy, Change and Resident Engagement and is made up of discrete services that work closely together: Communications, Customer Services and Complaints, Strategy and Performance (including the Executive Support Team) and Programmes and Change (including the team leading on developing a future operating model).

The Communications Service

This is a team of 8 people, headed up by a Communications Manager, who lead on:

- Delivering a communications plan for the Council – setting out a forward plan for what the Council and individual services needs to communicate
- Media responses and relations, including social media
- Developing communications campaigns with services
- Internal communications and staff engagement
- Social media campaigns and content creation
- Graphic design services (in house) and developing the overall Council brand
- Council printing services

Key priorities for 2025/26:

Develop an overarching strategic communications strategy so that we can be clear, consistent and more transparent about Council plans and priorities, about how we are improving and what is changing. The intention is to increase trust and confidence in the Council. The Council has received LGA support in 2024/25 to support improvement and development of this function and engaged a Programme Director for Communications and Engagement. Further investment will be made via the Transformation Fund for 2025/26 to continue this improvement.

Key measures of success:

I understand the reason for decisions that the Council has to take (staff, residents, partners, businesses) – new measure
Slough Borough Council keeps me very or fairly well informed about the services and benefits they provide (residents) - baseline 38% national benchmark (57%)
I understand our vision and plans for the future (staff, residents, partners, businesses) - baseline for staff is 70.5%
I trust Slough Borough Council a great deal or a fair amount – baseline 25%, national benchmark 58% (residents survey)

Customer Services and Complaints

Customer services and complaints is a service of 35 full time equivalent staff, headed up by one Head of Service.

Customer Services leads on the front door for incoming queries relating to Adult Social Care, Council Tax, Environmental, Housing Benefit, Neighbourhood Services and Strategic Housing. The service responds to between 3500 and 4500 calls per month and aims to respond to at least 80% of calls within 8 minutes. A further 3500 emails and e forms are responded to. We also process over 100 blue badge and bus pass applications every month. The service also sees between 700-800 people in person.

The Complaints, Casework & FOI team manages corporate complaints including adult statutory complaints, member casework, MP enquiries, FOI's and for logging subject access requests. Last year the service dealt with 685 stage 1 complaints and 35 Adults Social Care complaints. They also dealt with 1745 service requests and enquiries. Housing Repairs continue to attract the most complaints with over 40%. The main root cause for complaints continues to be communication delays and quality of service. 90% of complaints were satisfactorily resolved at stage 1. The council had 47 complaints referred to the LGSCO, 4 were investigated, and all were upheld. The team receives about 1000 case work issues a year, 68% of which are responded to on time, as well as MPs enquiries (500), FOIs (900) and subject access requests (40).

Key priorities for 2025/26:

- Improving customer access and developing a more accessible front door, improving complaint handling and getting better at continuously improving and tackling the root causes behind complaints.

As part of this work, we would look to develop a richer set of metrics that help us focus on resolution and satisfaction as well as response rates and times.

Key measures of success:

- Answering at least 80% of customer services calls
- Responding to calls within 8 minutes
- Responding to 100% of in box queries within 5 working days
- Call response times and complaints and keeping the percentage of complaints escalated from stage 1 to stage 2 and stage 2 complaints escalated to the Local Government and Social Care Ombudsman (LGSCO). There are no targets – the metric is in place to monitor trends.

Strategy and Performance:

The service is made up of a strategy team (3 people), corporate performance and data team (3 people), a service performance team (5 people) and an executive assistants team (7 people), led by one Head of Service. The service is responsible for setting the long-term vision and corporate strategy, to ensure that the collective efforts of the Council and partners impacts positively on residents. This requires responsibility for the following functions: strategy, service planning across the Council, the corporate performance management framework, the evidence base for the Council and partners, equality, diversity and inclusion in resident facing services, the executive assistance service for executive directors, resident insight, core Council strategies and strategic partnership working.

Together with the Director for Strategy, Change and Resident Engagement and Programmes and Change service, they support the Chief Executive and the Corporate Leadership Team to plan and make effective decisions with Elected Members.

Key priorities for 2025/26:

- Embedding the corporate strategy and performance framework
- Embedding Equality Objectives and a plan
- Supporting data quality improvements and evidence-based decisions making
- Adopting a proactive and systematic resident engagement framework that guides the way we communicate and engage with residents, in a more segmented and sophisticated way
- Identifying ways to maintain and build cohesion.
- Bringing partners together to work on long term outcomes and place shaping
- Support the Council's response to devolution and local government reform

Key measures of success:

- I have trust and confidence in my senior leadership team (staff) - baseline 62.5%
- Slough Borough Council acts on their concerns to a great deal or a fair amount (residents) - baseline 28% national benchmark 52%
- I understand our vision and plans for the future (staff, residents, partners, businesses) - baseline for staff is 70.5%
- I trust Slough Borough Council a great deal or a fair amount – baseline 25%, national benchmark 58% (residents survey)

Programmes and Change:
This service is made up of task focused seconded staff and interims, funded by reserves allocated to support change and transformation. There have been two teams in the service to date – improvement and recovery (7) and operating model (6). The

Operating Model is led by a Programme Director for Transformation to ensure focus and momentum. There is one permanent Head of Service. The service is responsible for corporate cross-cutting programmes of change and transformation and providing programme management capacity. They lead on ensuring that the operating model enables Slough to be stable, adaptable, and effective in the short term and viable and resilient in the medium to long term in response to growing demand and a more difficult financial context. They lead on the delivery of the recovery and improvement plan, ensuring this leads to impactful and sustained delivery that means the Council can become and sustain being a Best Value council that leaves a lasting legacy of improvement and continuous learning. This will require a relentless focus on realising benefits through direct programme delivery and PMO support.

Key priorities for 2025/26:

- Overall direction and delivery of improvement and recovery programmes to become a Best Value Council - maintaining oversight of the action plan and governance required
- Adopt Target Operating Model fully by April 2026 so we can meet community need within budget.
- Identify and deliver the Transformation Programmes needed to implement the operating model

Key Measures of success:

- I am very or fairly satisfied with the way Slough Borough Council runs things (resident) – baseline 30%, national benchmark 60%
- I strongly agree or tend to agree that the Slough Borough Council provides value for money (residents) - baseline 21%, national benchmark 46%

Appendix 3 Law and Governance

Law and Governance	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	2.173	£m	£m	£m	£m	£m	£m	£m	£m
Democratic Services	1.928	1.733	0.218	0	0.011	-0.068	0	0	0	1.894
Registrars and Coroners	0.245	0.183	0.070	0	0	-0.049	0	0	0	0.204
Total Law and Governance	**2.173**	**1.916**	**0.288**	**0**	**0.011**	**-0.117**	**0**	**0**	**0**	**2.098**

Law and Governance comprises legal services, democratic, electoral services, and registrar. This covers the coordination and support to Council meetings including Cabinet, Council and Scrutiny and management of all elections including local and general elections. The service has an organisation-wide role in ensuring the Council behaves in a lawful manner, in accordance with the Code of Governance, and with the proper functioning of decision-making processes.

Appendix 3 Corporate Resources

Corporate Services	2024/25 Original Budget	2024/25 Working Budget	Virements	Growth and Pressures excl inflation	Inflation	Net Savings	Corporate Adjustments	Net Funding Changes	Capitalisation Direction	2025/26 Proposed Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Finance Management Team	-0.882	0.510	0.118	0	0	0	0	0	0	0.628
Financial Management & Strategy	-0.487	0.441	-2.302	0	0	-0.050	0	0	0	-1.911
Corporate and Commercial	3.329	2.742	1.184	0.102	0	-0.351	0	0	0	3.677
Finance Transformation	0	0.421	0	0	0	0	0	0	0	0.421
Revenues & Welfare Services	1.841	1.482	0.490	0	0	-0.849	0	0.025	0	1.148
Internal Audit	0.478	0.597	-0.017	0	0	0	0	0	0	0.580
Human Resources	1.937	1.783	0.082	0	0	-0.091	0.106	0	0	1.880
Digital Data and Technology	6.344	7.053	-0.641	0.974	0.170	-0.465	0	0	0	7.091
Total Corporate Services	**12.560**	**15.029**	**-1.086**	**1.076**	**0.170**	**-1.806**	**0.106**	**0.025**	**0**	**13.514**

Corporate Resources was established In January 2025 following the successful appointment of the Executive Director Corporate Resources (S151 Officer). The Directorate provides the following services:

Finance – Corporate and Commercial financial services to the council including the statutory responsibilities for finance, including preparation of statutory annual financial statements and returns, in accordance with regulatory requirements, management of the Collection Fund and ensuring its appropriate distribution between public bodies, Treasury Management and coordination of the capital programme and its management. Over the last year the team has been focussing on the backstop Statements of Accounts, which has included the preparation, and publication of five years of accounts from 2019/20 to 2023/24, and a key focus for 2025/26 will be preparation and finalisation of the 2024/25 Statement of Accounts within statutory deadlines. The team is also responsible for risk management and insurance services and has included the requirement to significantly improve risk management practices across the council to support better corporate governance. The Commercial function lead on the council’s procurement, ensuring compliance with public sector procurement law and ensuring the appropriate route to market for third sector spend, and due diligence on potential providers, in order that spending on goods and services is efficient, effective and delivers value for money. A key focus for the year ahead is successful implementation of the 2023 Procurement Act.

Financial Management and Strategy is responsible for development and coordination of the annual budget and medium-term financial planning processes, for both revenue and capital expenditure, as well as the 30-year Housing Revenue Account Business Plan. Business partnering provides a comprehensive financial support service to all Directorates, including financial analysis, management accounting and supporting budget managers deliver their financial responsibilities.

The Revenue and Welfare Service is responsible for managing the financial collection and welfare support provided to residents within the local area. These include: council tax and business rates collection; administering benefits such as housing benefit, household support fund and council tax support; providing financial assistance to those in need; and recovering debt.

Transactional Services – accounts payable (payments to our suppliers) and accounts receivable (collection of income due to the council)

The Digital, Data, and Technology (DDaT) is responsible for managing technology and data to improve public services and support the community. This includes: digital transformation, implementing digital solutions to streamline processes and improve service delivery; data management, collecting, storing, and analysing data to inform decision-making, service delivery and outcomes for the community; cybersecurity; and the whole technology infrastructure.

The Human Resources (HR) service plays a vital role in managing the workforce and ensuring that the authority operates efficiently, effectively and complies with relevant legislation. Its key functions include recruitment and selection, employee relations, payroll and training and development.

Internal Audit – An independent assurance, advisory and counter fraud service that supports the Council by evaluating and improving governance, risk management and key controls; and reducing, deterring fraud.

Appendix 4 Proposed Budget Savings and Growth Proposals

Savings

Directorate Name	Description	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Saving Category	Governance Route	Deliverability Risk
2024/25 Proposals c/f								
Adults Services	Review support packages transferring to Adult Services from Children's Services	-	0.236			Efficiency	Officer delegation	Medium
Adults Services	Develop the Domiciliary Care market to encourage greater competition and reduce unit costs	-	-			Efficiency	Previous cabinet decisions on procurement - June 2024	High
Chief Executive's Office	Proposed changes to profile of resources in ICTD	0.065	-			Efficiency	Officer delegation	Low
Chief Executive's Office	Implementation of the new Applicant Tracking System	-	-			Efficiency	Officer delegation	Low
Corporate Services	Reduction in SFM Finance roles	0.050	-			Efficiency	Officer delegation	Low
Corporate Services	Increase efficiency of collecting Housing Benefits Overpayments (HBOP)	0.300	-			Efficiency	Officer delegation	Low
Corporate Services	Improve efficiency and timeliness of reimbursement for Housing Benefits subsidy by reviewing process	0.300	-			Efficiency	Officer delegation	Low
Corporate Services	Council Tax collection improvements	0.200	0.300			Income	Officer delegation	Low
Corporate Services	Review of Enforcement Agent Service from 2025/26	-	-			Efficiency	Cabinet decision - TBC	Medium
Corporate Services	Reduction of consultancy for Commerical Team	0.050	-			Efficiency	Officer delegation	Low
Law and Governance	Deletion of post in Democratic and Electoral Services	0.031	-			Efficiency	Officer delegation	Low
Public Health and Public Protection	Recharge to fully utilise Domestic Abuse grant	(0.054)	-			Efficiency	Officer delegation	Low
Regeneration, Housing and Environment	Implementation of new enforcement powers from DfT for moving traffic violations	0.050	0.050			Income	Cabinet decision - May / June 2025	High
Regeneration, Housing and Environment	Utilisation of s106 monies for parks & open spaces	0.100	-			Service Reduction	New policy will require Cabinet approval	Low
Regeneration, Housing and Environment	Waste - reducing costs and tonnage through increased efficiencies	0.315	-			Efficiency	Cabinet decision - May 2024 on re-commissioning, Cabinet report required on food waste arrangement - March 2025	High
Regeneration, Housing and Environment	Reducing the costs of providing Temporary Accommodation.	-	0.700			Efficiency	Various proposals mainly within officer delegation	Medium
Regeneration, Housing and Environment	Temp Accommodation lease proposal	0.200	-			Efficiency	Cabinet decision - February 2025	Medium
Regeneration, Housing and Environment	Property Services New Operating Model	-	-			Efficiency	Officer delegation	Medium
Regeneration, Housing and Environment	Slough Town Football Club Stadium Lease	-	-			Income	Officer delegation	Low
Regeneration, Housing and Environment	Review of Cemeteries and Crematoria service offer	0.200	0.050			Income	Depends on proposal - new fees and significant increases need Cabinet decision, increased publicity officer delegation	High
Sub-Total 2024/25 Proposals		**1.807**	**1.336**	**-**	**-**			

Directorate Name	Description	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Saving Category	Governance Route	Deliverability Risk
2025/26 Proposals								
Adults Services	Increased funded contribution through NHS Nursing Care	0.300	-	-	-	Income		High
Adults Services	Review of Reablement & Independence Service	-	-	-	-	Efficiency		High
Adults Services	Redesign Front Door processes to optimise contacts & increase signposting to appropriate alternative services	0.150	-	-	-	Efficiency		Medium
Adults Services	Review of inhouse direct payment support service	0.075	-	-	-	Efficiency		Medium
Adults Services	Reduction in Deep Cleaning service costs across the Hospital and Community Social Work Teams	0.020	-	-	-	Efficiency		Low
Adults Services	Increased recycling of minor aids equipment	0.150	-	-	-	Efficiency	Previous cabinet decision on joint procurement	Medium
Adults Services	Proposals incorporated within Operating Model work	(0.545)	-	-	-	Efficiency		Low
Adults Services	Increased preventative approach through reviewing home care packages	0.500	-	-	-	Efficiency	Officer delegation	Medium
Adults Services	Review of high-cost placements across residential care and Supported Living placements for working age adults	0.400	-	-	-	Efficiency		High
Adults Services	Occupational Therapists review of double handed care	0.376	-	-	-	Efficiency		Medium
Adults Services	Improvement through redesign and/or promotion of MHLD initiatives	0.018	-	-	-	Efficiency		Medium
Adults Services	Review of hospital discharge and HomeFirst service	0.014	-	-	-	Efficiency		Medium
Adults Services	Ensuring timely financial assessments incl fairer charging	2.387	-	-	-	Income		Low
Adults Services	Focused recovery of ASC debt - saving reduces drawdown from Corporate Bad Debt Provision	0.230	-	-	-	Income		Low
Adults Services	Review for reducing interim workforce	0.195	0.044	-	-	Efficiency		Medium
Adults Services	Review of Adult Social Care Fees and Charges policy	-	0.380	-	-	Efficiency		Low
Adults Services	Review fees and charges in line with national increases in social security benefits	-	0.261	-	-	Efficiency		Low
Chief Executive's Office	Review and realign back-office customer services	0.030	-	-	-	Efficiency		Low
Chief Executive's Office	Senior Management Restructure	0.340	-	-	-	Efficiency		Low
Children's Services	Reduction in SCF contract fee	0.690	-	-	-	Efficiency		High
Corporate Services	Reduction in Audit fees	0.133	-	-	-	Service Reduction		Low
Corporate Services	Resource impact of change to claims processing system	0.253	-	-	-	Service Reduction		Medium
Corporate Services	Review of Commercial Team	0.075	-	-	-	Service Reduction		High
Corporate Services	Review of Corporate Finance functions	0.100	-	-	-	Efficiency		High
Corporate Services	Utilising Azure Virtual desktop	0.078	-	-	-	Efficiency		Low
Corporate Services	Automating invoice payments	0.030	-	-	-	Efficiency		Medium
Corporate Services	Moving telecommunication budgets to a central allocation	0.170	-	-	-	Efficiency		Medium
Public Health and Public Protection	Review 'Selective Property Licensing Designations' scheme	0.020	-	-	-	Income		Medium
Public Health and Public Protection	Local business sponsorship opportunities	0.010	0.015	0.025	-	Income		High
Regen, Housing & Env	Review of advertising on roundabouts, high street locations etc.	0.350	-	-	-	Income		Medium
Regen, Housing & Env	Review of Borough wide CPZ, 24 bus lanes and 20mph limit	0.400	-	-	-	Income		High
Regen, Housing & Env	Additional commercial trade waste income	0.050	-	-	-	Income		Medium
Regen, Housing & Env	Run program of commercial events in parks and town centres	0.050	-	-	-	Income		Low
Regen, Housing & Env	Review of HWRC arrangements	0.100	-	-	-	Service Reduction		Medium
Regen, Housing & Env	Affordable Housing Development	-	-	1.000	-	Efficiency		Medium
Regen, Housing & Env	Review of community hire halls	0.200	-	-	-	Service Reduction		Low
Regen, Housing & Env	Review of car parking arrangements	0.150	-	-	-	Income		Medium
Regen, Housing & Env	Planning Income	0.300	-	-	-	Income		Medium
Regen, Housing & Env	Car Park Income	0.200				Income		Medium
Non Directorate	Reduction in Establishment	2.000	-	-	-	Efficiency		Medium
Sub-Total 2025/26 Proposals		**9.999**	**0.700**	**1.025**	**-**			

Appendix 4 Draft Budget Proposals - Growth Proposals

Directorate Name	Description of Pressure	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Pressure Category
Adults Services	Increase in support packages transferring to Adults from Childrens	0.530	-	-	-	Pressure
Adults Services	ASC budgets rebase to reflect current levels of forecast expenditure and income; allowing for one off opportunities being released in 24/25	12.054	-	-	-	Rebasing
Adults Services	ASC Population and demographic growth	0.257	-	-	-	Pressure
Adults Services	Continuation of Packages of Care already in place	1.620	-	-	-	Pressure
Adults Services	Packages of Care – 25/26 above demographic growth based on 24/25 demand	-	-	-	-	Pressure
Adults Services	Provider Fee Discretionary Fee Uplift non-contractual 2025/26 (0% funded at present for 2025/26) estimate at 4.0% of current forecast circa £50m	-	-	-	-	Pressure
Adults Services	Social Care Support	0.000	-	-	-	Pressure
Adults Services	Deprivation of Liberty Safeguards (DoLS) Service redesign	0.179	-	-	-	Statutory
Adults Services	Increasing Direct Payment Rates for Employers of Personal Assistants	0.298	-	-	-	Pressure
Adults Services	Performance & Data Reporting Developments and increased staffing to provide greater capacity and more in-depth analysis	-	-	-	-	Pressure
Adults Services	Revaluation of Approved Mental Health Practitioners (AMHPs) in line with NHS	0.056	-	-	-	Pressure
Adults Services	Safeguarding Board contribution uplift of 5%	-	-	-	-	Pressure
Adults Services	Increasing Direct Payment Rates for Employers of Personal Assistants	(0.055)	-	-	-	Pressure
Regen, Housing & Env	Temporary Accommodation budgets rebasing to reflect current levels of forecast expenditure and Income.	7.265	-	-	-	Rebasing
Regen, Housing & Env	Remove existing historic unachievable savings and capital income budgets	1.289	-	-	-	Rebasing
Regen, Housing & Env	National Non-Domestic Rates (NNDR / Business Rates)	1.035	-	-	-	Rebasing
Regen, Housing & Env	Implementation of Waste Strategy (through EPR funding)	1.549	-	-	-	Pressure
Children's Services	Increase in demand for Home to School Transport	0.500	-	-	-	Pressure
Children's Services	Provision of Educational Psychology	0.555	-	-	-	Rebasing
Children's Services	Increased demand for Educational Healthcare Plans (EHCPs)	0.500	-	-	-	Pressure
Corporate Services	Deployment of Azure Virtual Desktop	0.105	-	-	-	Pressure
Corporate Services	Deployment of Azure Virtual Desktop	(0.105)	-	-	-	Pressure
Corporate Services	Uplift in Agresso contract	0.102	(0.055)	-	-	Pressure
Corporate Services	Enabling Digital Tools for better resident access	0.081	(0.046)	-	-	Pressure
Corporate Services	Migration of Social Care Application - invest to save	0.101	(0.081)	-	-	Pressure
Corporate Services	Creation of Support Structure for Social Care application systems	0.156	-	-	-	Pressure
Corporate Services	Refresh of Corporate IT Equipment approaching end of life	0.390	-	-	(0.180)	Pressure
Corporate Services	Replacement/Augmentation for end of life network switches	-	(0.046)	-	-	Pressure
Corporate Services	Building data capacity and capability	0.245	-	-	-	Pressure
Corporate Services	Deployment of Co-Pilot applications	0.000	-	-	-	Pressure
Corporate Services	Digital Enablement of Transformation	-	0.125	(1.450)	-	Pressure
Corporate Services	Review of Digital resources	0.120	-	-	-	Pressure
Corporate Services	Equipment refresh for back-office	(0.150)	-	-	-	Pressure
Corporate Services	Debt Recovery Proposals	0.030	-	-	-	Pressure
Non Directorate	Generic Growth		5.252	5.002	5.003	Pressure
Non Directorate	11% Reduction in Growth	(3.308)	-	-	-	Pressure
Non Directorate	Risk Reserve	2.215	-	-	-	Pressure
Non Directorate	Provider Uplift Risk Reserve	0.403	-	-	-	Pressure
Non Directorate	Contract Inflation	1.058	-	-	-	Pressure
Non Directorate	Increase in Employer's National Insurance	1.085	-	-	-	Statutory
Sub-Total 2025/26 Pressures		**30.162**	**5.149**	**3.552**	**4.823**	

Appendix 5 Dedicated Schools Grant

i. Schools Block Local Funding Formula

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level
£4,955.00	£6,221.00	£6,831.00	£6,465.00

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)

Reception uplift	No	Pupil Units	0.00

Description	Amount per pupil	Pupil Units	Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)
Primary (Years R-6)	£4,086.16	16,452.00	£67,225,504	**£143,090,744**	36.71%	0.50%
Key Stage 3 (Years 7-9)	£5,754.72	7,516.00	£43,252,476		23.62%	0.50%
Key Stage 4 (Years 10-11)	£6,486.23	5,028.00	£32,612,764		17.81%	0.50%

Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM	£520.00	£520.00	3,446.00	2,689.00	£3,190,200	**£14,593,524**	7.97%	100	100
	FSM6	£1,116.61	£1,640.15	3,505.00	2,867.00	£8,616,028			100	100
	IDACI Band F	£250.00	£360.00	3,573.79	2,812.53	£1,905,957			100	100
	IDACI Band E	£305.00	£480.00	1,003.32	844.17	£711,215			100	100
	IDACI Band D	£475.00	£670.00	178.19	96.02	£148,975			100	100
	IDACI Band C	£515.00	£735.00	3.00	18.01	£14,782			100	100
	IDACI Band B	£550.00	£785.00	3.01	6.00	£6,366			100	100
	IDACI Band A	£720.00	£1,005.00	0.00	0.00	£0			100	100
3) English as an Additional Language (EAL)	EAL 3 Primary	£625.00		5,774.00		£3,608,750	**£5,263,359**	2.71%	0	
	EAL 3 Secondary		£1,680.00		806.23	£1,354,460				0
4) Mobility	Pupils starting school outside of normal entry dates	£379.77	£543.06	467.84	225.53	£300,149		0.16%	0	0

Description		Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
5) Low prior attainment (LPA)	Primary LPA		£1,240.00	31.09%	5,114.25	£6,341,675	£10,348,783	5.65%	100	
	Secondary LPOA (Y 7)	57.71%	£1,880.00	16.19%	2,131.44	£4,007,108				100
	Secondary LPOA (Y 8)	55.77%		17.40%						
	Secondary LPOA (Y 9)	54.47%		16.93%						
	Secondary LPOA (Y 10)	54.47%		17.16%						
	Secondary LPOA (Y 11)	64.53%		17.26%						

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
6) Lump Sum	£152,753.89	£152,753.89			**£6,568,417**	3.59%	0	0
7) Sparsity factor	£60,435.00	£87,850.00	£87,850.00	£87,850.00	**£0**	0.00%	0	0
8) Fringe Payments	Fringe multiplier			1.0000	**£0**	0.00%		
9) Split Sites	Basic eligibility funding	£55,744.77	Distance funding rate	£27,872.38	**£306,596**	0.17%	0	
10) Rates					**£1,841,715**	1.01%	0	
11) PFI funding					**£1,079,506**	0.59%	0	

Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)	**£183,092,644**	**99.98%**	

13) Additional funding to meet minimum per pupil funding level		**£42,214**	0.02%	0
Total Funding for Schools Block Formula (excluding MFG Funding Total)		**£183,134,858**	**100.00%**	
14) Minimum Funding Guarantee	0.00%		**£375,324**	
Where a value less than -0.5% or greater than 0% has been entered please provide the disapplication reference number authorising the value				

Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)						No		
Capping Factor (%)		Scaling Factor (%)						
MFG Net Total Funding (MFG + deduction from capping and scaling)						£375,324	0.20%	0
Total Funding for Schools Block Formula						**£183,510,182**		**£25,657,761**
Notional SEN	**Top-up - proportion of NOR**	2.67%	**SEN support plus EHCP minus Top-up - proportion of NOR**		12.06%	**Notional SEN funding per eligible pupil**		**£6,009**

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)	£0.00
Additional funding from the high needs budget	£0.00
Growth fund (if applicable)	£537,998.99
Falling rolls fund (if applicable)	£0.00

Other Adjustment to 24-25 Budget Shares	**£0**	
Total Funding For Schools Block Formula (including growth and falling rolls funding)	**£184,048,181**	
% Distributed through Basic Entitlement	**78.13%**	
% Pupil Led Funding	**94.63%**	
Primary: Secondary Ratio	**1 :**	**1.35**

25-26 NFF NNDR allocation, excluding prior year adjustments	**£1,841,715**
Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 25-26 NFF NNDR allocation	**£182,206,466**

Appendix 5 Dedicated Schools Grant

ii) Individual Schools Budget - School-by-school illustration of formula described in the report

URN	LAESTAB	School Name	Primary or Secondary	NOR Primary	NOR KS3	NOR KS4	Total NOR	Pupil led factors	Lump Sum	Split Sites	Rates	PFI	Minimum Funding per pupil	Minimum Funding Guarantee (MFG)	GRAND TOTAL
								£	£	£	£	£	£	£	£
Total				**16,452**	**7,516**	**5,028**	**28,996**	**173,296,410**	**6,568,417**	**306,596**	**1,841,715**	**1,079,506**	**42,214**	**375,358**	**183,510,216**
109943	8712252	Wexham Court Primary School	Primary	621	0	0	621	3,138,230	152,754	0	88,998	0	0	2,543	3,382,524
130372	8712255	Penn Wood Primary and Nursery School	Primary	624	0	0	624	3,446,254	152,754	0	117,390	420,306	0	0	4,136,703
132089	8712256	Claycots School	Primary	1,563	0	0	1,563	8,422,958	152,754	83,617	254,163	0	0	0	8,913,492
109995	8713070	St Mary's Church of England Primary School	Primary	628	0	0	628	3,351,291	152,754	0	85,722	0	0	0	3,589,767
110035	8713353	Our Lady of Peace Catholic Primary and Nursery School	Primary	355	0	0	355	1,694,010	152,754	0	9,391	0	0	10,819	1,866,974
135099	8713367	Iqra Slough Islamic Primary School	Primary	630	0	0	630	3,123,682	152,754	0	23,696	0	0	0	3,300,131
110089	8715201	Priory School	Primary	547	0	0	547	2,850,783	152,754	0	26,099	0	0	0	3,029,635
110095	8715207	Pippins School	Primary	175	0	0	175	902,992	152,754	0	5,624	0	0	0	1,061,370
110078	8714089	Wexham School	Secondary	0	647	431	1,078	8,133,369	152,754	0	218,400	0	0	23,527	8,528,051
110084	8714700	St Bernard's Catholic Grammar School	Secondary	0	477	316	793	5,038,236	152,754	0	30,303	0	0	0	5,221,293
136951	8712000	Langley Hall Primary Academy	Primary	699	0	0	699	3,294,520	152,754	222,979	4,532	0	16,271	0	3,691,056

URN	LAESTAB	School Name	Primary or Secondary	NOR Primary	NOR KS3	NOR KS4	Total NOR	Pupil led factors	Lump Sum	Split Sites	Rates	PFI	Minimum Funding per pupil	Minimum Funding Guarantee (MFG)	GRAND TOTAL
								£	£	£	£	£	£	£	£
139198	8712001	Willow Primary School	Primary	415	0	0	415	2,123,688	152,754	0	9,337	0	0	0	2,285,779
139333	8712002	James Elliman Academy	Primary	647	0	0	647	3,283,170	£152,754	£0	£16,817	£0	£0	£0	£3,452,741
139567	8712003	Colnbrook Church of England Primary School	Primary	205	0	0	205	1,131,433	152,754	0	5,788	0	0	0	1,289,975
139943	8712004	Foxborough Primary School	Primary	209	0	0	209	1,173,262	152,754	0	5,570	0	0	19,143	1,350,729
140335	8712005	Montem Academy	Primary	838	0	0	838	4,383,937	152,754	0	19,875	0	0	15,844	4,572,410
140857	8712006	Western House Academy	Primary	621	0	0	621	3,061,189	152,754	0	23,697	0	0	0	3,237,640
140994	8712007	The Langley Heritage Primary	Primary	464	0	0	464	2,269,212	152,754	0	11,248	0	0	35,855	2,469,069
142173	8712008	The Langley Academy Primary	Primary	627	0	0	627	2,928,088	152,754	0	0	0	25,943	0	3,106,785
144501	8712009	The Godolphin Junior Academy	Primary	433	0	0	433	2,330,114	152,754	0	12,667	0	0	0	2,495,535
138731	8712196	Phoenix Infant Academy	Primary	269	0	0	269	1,493,299	152,754	0	7,426	0	0	18,149	1,671,628
143802	8713363	St Ethelbert's Catholic Primary School	Primary	409	0	0	409	2,058,263	152,754	0	9,610	0	0	0	2,220,626
143804	8713364	St Anthony's Catholic Primary School	Primary	440	0	0	440	2,230,287	152,754	0	12,776	0	0	4,773	2,400,590
138166	8713365	Marish Primary School	Primary	726	0	0	726	3,698,431	152,754	0	18,127	0	0	0	3,869,312
148379	8713366	Khalsa Primary School	Primary	471	0	0	471	2,342,961	152,754	0	17,472	0	0	0	2,513,186

URN	LAESTAB	School Name	Primary or Secondary	NOR Primary	NOR KS3	NOR KS4	Total NOR	Pupil led factors	Lump Sum	Split Sites	Rates	PFI	Minimum Funding per pupil	Minimum Funding Guarantee (MFG)	GRAND TOTAL
								£	£	£	£	£	£	£	£
138013	8715200	Cippenham School	Primary	1,010	0	0	1,010	4,986,579	152,754	0	22,605	0	0	0	5,161,937
151043	8715202	Holy Family Catholic Primary School	Primary	421	0	0	421	2,036,311	152,754	0	7,425	0	0	0	2,196,490
138659	8715204	Castleview Primary School	Primary	429	0	0	429	2,041,493	152,754	0	9,228	0	0	0	2,203,475
137010	8715208	Lynch Hill School Primary Academy	Primary	819	0	0	819	4,322,664	152,754	0	17,690	0	0	0	4,493,108
138192	8715209	Ryvers School	Primary	629	0	0	629	3,206,793	152,754	0	14,960	0	0	0	3,374,507
141009	8714002	Ditton Park Academy	Secondary	0	539	359	898	6,487,386	152,754	0	55,692	0	0	0	6,695,832
141970	8714003	Eden Girls' School, Slough	Secondary	0	371	244	615	4,363,588	152,754	0	125,580	0	0	1,976	4,643,898
146820	8714006	Lynch Hill Enterprise Academy	Secondary	0	512	353	865	6,611,642	152,754	0	61,698	0	0	0	6,826,094
137259	8714082	Baylis Court School	Secondary	0	476	314	790	5,720,986	152,754	0	33,579	0	0	0	5,907,318
143327	8714085	Beechwood School	Secondary	0	443	288	731	5,694,695	152,754	0	55,146	659,200	0	0	6,561,795
137287	8714510	Slough and Eton Church of England Business & Enterprise College	Secondary	0	540	359	899	6,690,030	152,754	0	19,328	0	0	242,730	7,104,842
143803	8714800	St Joseph's Catholic High School	Secondary	0	479	303	782	5,310,800	152,754	0	16,598	0	0	0	5,480,151
136521	8715405	Langley Grammar School	Secondary	0	545	358	903	5,710,087	152,754	0	69,342	0	0	0	5,932,183
137726	8715407	Herschel Grammar School	Secondary	0	450	300	750	4,752,328	152,754	0	36,582	0	0	0	4,941,664
136420	8715408	Upton Court Grammar School	Secondary	0	496	328	824	5,239,180	152,754	0	60,606	0	0	0	5,452,540

URN	LAESTAB	School Name	Primary or Secondary	NOR Primary	NOR KS3	NOR KS4	Total NOR	Pupil led factors	Lump Sum	Split Sites	Rates	PFI	Minimum Funding per pupil	Minimum Funding Guarantee (MFG)	GRAND TOTAL
								£	£	£	£	£	£	£	£
138012	8715409	The Westgate School	Secondary	0	697	475	1,172	8,403,412	152,754	0	69,342	0	0	0	8,625,508
135631	8716905	The Langley Academy	Secondary	0	543	362	905	6,380,407	152,754	0	73,710	0	0	0	6,606,871
149897	8714008	Grove Academy	All-through	528	301	238	1,067	7,434,369	152,754	0	57,876	0	0	0	7,644,999

Appendix 6 – Proposed General Fund Capital Programme 2025/26 to 2029/20

General Fund Capital Programme	2024/25 Revised Budget £m	2025/26 Draft Estimate £m	2026/27 Draft Estimate £m	2027/28 Draft Estimate £m	2028/29 Draft Estimate £m	2029/30 Draft Estimate £m	2024/25 to 2029/30 Total £m
Disabled Facilities Grants	1.679	1.244	1.244	1.244	1.244	1.244	7.899
Adults Total	**1.679**	**1.244**	**1.244**	**1.244**	**1.244**	**1.244**	**7.899**
Primary Expansions	0.167	0.200	0.711				1.078
Schools Modernisation Programme	1.406	1.020	0.840	0.860	0.880	0.900	5.906
SEN Resources Expansion	1.127	2.250	1.600				4.977
Special School Expansion- Primary, Secondary & Post 16	4.904	3.314	2.857	1.843	2.000	2.000	16.918
Secondary Expansion Programme	0.005	0.310					0.315
Schools Devolved Capital	0.119	0.126	0.129	0.133	0.137	0.141	0.785
Childcare expansion	0.220						0.220
Children's Services Total	**7.949**	**7.220**	**6.137**	**2.836**	**3.017**	**3.041**	**30.200**
Capital Works following Stock Condition Survey	0.055	0.425	0.050				0.530
B4899 Localities Strategy North (Britwell)	0.094						0.094
Asset Disposal	0.708	0.590	0.142				1.439
Cornwall House-Fire Strategy	0.130	0.778					0.908
Strategic Asset Management Plan	0.015						0.015
Reception Works	0.050						0.050
Estate Management - Void works		0.100	0.365	0.115	3.422	3.863	7.864
New Horizons Lift	0.007						0.007
General Fund Capital Programme	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2024/25 to 2029/30**

	Revised Budget £m	Draft Estimate £m	Draft Estimate £m	Draft Estimate £m	Draft Estimate £m	Draft Estimate £m	Total £m
Flood Defence (Sponge City)	1.513	4.267	0.748	0.533			7.061
Zone 1 - Sutton Lane Gyratory (MRT)	0.281	0.020					0.301
Zone 4 - Stoke Road (Stoke Rd TVU junction)	0.956	1.084					2.040
Langley High Street Improvements LEP	0.131						0.131
A4 Safer Roads	0.859	0.695	0.060	0.060			1.674
A4 Cycle Lane	3.906	4.750	0.855	0.033			9.544
Electric Vehicle Network	0.000	0.865	1.781	0.660			3.306
Car Club	0.000	0.093					0.093
Reading Archives - Extension (SBC Contribution)	0.022	0.267	0.007				0.296
Cemetery Extension	0.070	0.140	0.100	0.100	0.100	0.100	0.610
Upton Court pathway	0.075						0.075
Cippenham Bridges	0.150						0.150
Refuse fleet & Grounds Plant equipment	0.720						0.720
Carbon Management - Public Sector Decarb. Scheme	0.055						0.055
Creative Academy - Orchard Youth & Community Centre	0.050						0.050
Parks - Playground Equipment	0.150						0.150
DSO Food/Fibre vehicles and Caddies	1.092	0.518	0.100				1.710
Winter Maintenance & New Gulley Tanker	0.000	0.420					0.420
Hook Lifts	0.000	0.350					0.350
Swimming Pool Support Fund	0.295						0.295
Additional Transport & Highways Grant funded projects	1.843	0.262	0.262	0.262	0.262	0.262	3.153
General Fund Capital Programme	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2024/25 to 2029/30**

	Revised Budget £m	Draft Estimate £m	Draft Estimate £m	Draft Estimate £m	Draft Estimate £m	Draft Estimate £m	Total £m
Patching, surfacing and highway replacement works	0.261	0.732	0.260	0.260	0.260	0.260	2.033
LTP Implementation Plan	0.173	0.108	0.721				1.002
DSO Replacement RCV's	0.000	1.387	1.387	1.387			4.160
DSO Replacement Fleet	1.123						1.123
Destination Farnham Road	2.186	8.700	1.035	0.005			11.926
Burnham Station	0.376	0.028	0.020				0.424
Regeneration, Housing & Environment Total	**17.346**	**26.578**	**7.892**	**3.415**	**4.044**	**4.485**	**63.760**
IT Equipment	0.045	0.550	0.540	0.540	0.360	0.360	2.395
Network Switch Replacement		0.046					0.046
Corporate Resources Total	**0.045**	**0.596**	**0.540**	**0.540**	**0.360**	**0.360**	**2.441**
General Fund Capital Expenditure Total	**27.019**	**35.638**	**15.813**	**8.035**	**8.665**	**9.130**	**104.299**
Corporate - Transformation Programme	2.000	2.000					4.000
Capitalisation Directions	23.078	15.709	9.151	1.460			49.398
GENERAL FUND TOTAL	**52.097**	**53.347**	**24.964**	**9.495**	**8.665**	**9.130**	**157.697**

Financing the Capital Programme	2024/25 Revised Budget £m	2025/26 Draft Estimate £m	2026/27 Draft Estimate £m	2027/28 Draft Estimate £m	2028/29 Draft Estimate £m	2029/30 Draft Estimate £m	2025/26 to 2029/30 Total £m
Funding - General Fund							
Government Grant	-25.692	-31.879	-14.609	-6.701	-4.783	-4.81	-88.471
Capital Receipts	-3.000	-3.368	-0.142				-6.509
Developer contributions (s.106)	-0.225	-0.093		-0.579			-0.897
Revenue contributions	-0.045	-0.200	-0.200	-0.200	-0.200	-0.200	-1.045
External Funding Total	**-28.962**	**-35.540**	**-14.951**	**-7.480**	**-4.983**	**-5.007**	**-96.923**
Capital Financing Requirement	**23.135**	**17.807**	**10.013**	**2.015**	**3.682**	**4.123**	**60.774**

Capital Financing Requirement:	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2024/25 to 2029/30 £m
Capitalisation Direction	23.078	15.709	9.151	1.460	0.000	0.000	49.398
Capital Programme	0.057	2.098	0.862	0.555	3.682	4.123	11.376

Appendix 7
Flexible Use of Capital Receipts Strategy

Flexible Use of Capital Receipts Strategy (2024/25 and 2025/26)

Introduction

The government announced their intention to extend the flexible use of capital receipts to 2030 in November 2024.

Under normal rules, capital receipts can only be used to fund capital expenditure such as the purchase of capital assets or the improvement of existing assets, or the repayment of debt. However, under specific direction issued by the Secretary of State, Local Authorities are able to utilise income generated from the sale of assets to fund the short-term costs of transformation initiatives, invest-to-save and other efficiency programmes designed to provide future revenue savings.

The Secretary of State will be advised in advance of its use, the details of the application of excess capital receipts to support the transformation programme.

The Direction

The Directions are issued by the Secretary of State under Sections 16(2)(b) of the Local Government Act 2003 and specify that Local Authorities can treat as capital expenditure, expenditure which:

- is incurred by the Authority that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners
- is properly incurred by the Authority for the years that the directions are in place
- should avoid the costs of redundancies, and if required must be restricted to the statutory minimum

The Council’s Proposals

The Council agreed funding for a transformation programme as part of its 2024/25 budget which assumed draw-down from useable earmarked reserves of up to £4m over the 2 years 2024/25 and 2025/26.

That programme is designed to deliver a new operating model, along with improved use of technology, and improved commissioning arrangements designed to align general fund expenditure with the Council’s anticipated revenue funding sources without recourse to exceptional financial support through capitalisation directions, which for 2024/25 equates to £23.08m, and over the period of this MTFP is anticipated to be a further £26.32m.

It is intended that the one-off costs of transformation now be funded from capital receipts arising from the disposal of a number of HRA assets over the two financial years, taking account of the requirement, under the “no detriment” principle that the HRA is fully compensated for the assets, including redemption of any outstanding debt, and net revenue losses arising from the disposal over the anticipated future lives of those assets, as incorporated in the 30-year HRA business plan.

It is anticipated that the disposal of a number of HRA non-dwelling assets over the two years will generate sufficient excess capital receipts to facilitate delivery of this strategy. However, any shortfall will require the Council to revert to the need to draw on useable earmarked reserves, as set out in the approved 2024/25 General Fund budget.

All proposed expenditure will meet the qualifying criteria for application of capital receipts under the proposed strategy,

The Council intends to use the following capital receipts to fund the following:

Flexible Use of Capital Receipts	**2024/25 £m**	**2025/26 £m**	**2026/27 £m**	**2027/28 £m**
Transformation Programme	2.0	2.0	-	-
Total	***2.0***	***2.0***		
Efficiency Savings Proposed and detailed in the 2025/26 Budget Report		4.8	0.7	1.0
Target Operating Model Savings			TBD	TBD

The Prudential Code

The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy. As set out above, flexible use of capital receipts up to the value of £4.0m, over the two years 2024/25 and 2025/26, from excess capital receipts arising from the disposal of HRA non-dwelling assets, will be earmarked to fund the transformation programme agreed as part of the 2024/25 budget, originally intended to be financed through draw-down of reserves in 2024/25 and 2025/26.

These excess capital receipts have not been earmarked for funding any other capital expenditure and therefore there should be no adverse impact on the capital financing requirement and prudential indicators set out in the revised Treasury Management Strategy 2024/25, and draft Treasury Management Strategy 2025/26.

The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding this scheme within the 2024/25 and 2025/26 Statements of Accounts.

Monitoring of the Policy

Implementation of this policy will be monitored as part of the regular financial reporting requirements, including quarterly review for Cabinet. That will include tracking of the payback of the proposal and a commentary on the benefits realisation of the planned savings or service transformation against the initial analysis.

Appendix 8

Treasury Management Strategy Statement 2025/26

Minimum Revenue Provision Policy Statement,

Capital Strategy and Annual Investment Strategy

2025/26 to 2028/29

Including commercial activities and non-treasury investment

Slough Borough Council

Contents

Introduction

Treasury management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks." (CIPFA Treasury Management Code of Practice 2021).

This Treasury Management Strategy Statement (TMSS) sets out how the Council undertakes these essential functions and helps deliver the Medium-Term Financial Strategy.

Treasury risk management at the Council is conducted within the framework of the CIPFA's Prudential Code and the Treasury Management in the Public Services: Code of Practice 2021 Edition (the Code). The Council has adopted and fully complies with the Code's recommendations.

The 2024/25 Treasury Strategy was presented to Full Council on 7th March 2024. The TMSS reflects changes to original assumptions contained therein and the supports the Medium-Term Financial Strategy and shall be presented to Full Council in February 2025.

The Strategy contains the recommendation to delegate to the S151 Officer authority for the Council to join the London Treasury Liquidity Fund (LTLF) Partnership at the earliest opportunity, subject to the conclusion of satisfactory due diligence and approval of Full Council. The LTLF Investment Strategy can be found at Appendix C.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. The Council uses the treasury advisory service of Arlingclose ltd.

Economic Outlook

The Council's Treasury Advisors have provided an economic outlook which can be found at Appendix E.

Treasury Management Portfolio Summary

Table 1A below provides details of the Council's debt and investment portfolios along with forecasts for the current and next three years.

Table 1A: Treasury Management Summary

	31.3.24 Actual £m	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Existing Long-term borrowing						
- PWLB	446.4	425.5	331.1	306.4	265.8	253.7
- LOBOs	9.0	9.0	5.0	0.0	0.0	0.0
- Bank	4.0	4.0	4.0	4.0	4.0	4.0
Existing Short-term borrowing	0.0	0.0	0.0	0.0	0.0	0.0
New Expected Borrowing		8.2	96.5	122.8	156.3	142.7
Total borrowing	**459.4**	**446.6**	**436.6**	**433.2**	**426.1**	**400.5**
Long-term investments Short-term investments Cash and cash equivalents	-21.3	-10.0	-10.0	-10.0	-10.0	-10.0
Total investments	**-21.3**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**
Net borrowing	**438.1**	**436.6**	**426.6**	**423.2**	**416.1**	**390.5**

The table reflects the need for additional borrowing to be taken due to lower than anticipated levels of capital receipts from asset disposals.

It is assumed that any redeemed LOBO debt will be replaced by PWLB

Balance Sheet Summary and Forecast

Table 1B below provides details of the Council's Balance Sheet Summary for the General Fund and HRA as at 31 December 2024, and forecasts the current and next three years positions. The top half of the table shows the composition of the changes in net indebtedness, and the bottom half shows how that is projected to be reflected in the respective treasury portfolios.

Table 1B: Balance Sheet Summary and Forecast.

Balance sheet summary and forecast	31.3.24 Actual £m	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
General Fund CFR	507.6	503.4	482.1	470.6	457.4	443.6
inc. Capitalisation Direction	92.6	101.2	90.2	91.6	91.6	88.0
Housing Revenue Account CFR	164.6	164.6	164.6	164.6	164.6	164.6
TOTAL CFR	**672.2**	**668.0**	**646.7**	**635.3**	**622.0**	**608.2**
Other Balance Sheet Items - GF	-190.6	-184.7	-176.6	-172.2	-166.5	-163.9
Other Balance Sheet Items - HRA	-43.5	-46.7	-43.5	-39.8	-39.5	-53.8
TOTAL OTHER BALANCE SHEET ITEMS	**-234.1**	**-231.4**	**-220.1**	**-212.0**	**-206.0**	**-217.7**
TOTAL NET INDEBTEDNESS	**438.1**	**436.6**	**426.6**	**423.2**	**416.0**	**390.5**
General Fund Net Indebtedness	317.0	318.7	307.8	298.4	290.9	279.7
HRA Net Indebtedness	121.2	118.0	121.2	124.8	125.2	110.8
Reflected by:						
General Fund Borrowing	327.4	316.2	306.0	306.4	306.0	294.7
General Fund External Investments	-21.3	-10.0	-10.0	-10.0	-10.0	-10.0
General Fund Borrowing from / (Lending to) HRA	10.9	12.5	7.7	2.0	-5.0	-5.0
General Fund Net Treasury Position	**317.0**	**313.6**	**312.4**	**311.2**	**301.0**	**290.9**
HRA Borrowing	132.0	130.4	128.8	126.8	120.2	105.8
HRA Borrowing from / (Lending to) GF	-10.9	-12.5	-7.7	-2.0	5.0	5.0
HRA Net Treasury Position	**121.2**	**120.2**	**123.0**	**126.2**	**126.7**	**116.3**
Total Borrowing	459.4	446.6	436.8	433.2	426.0	400.5
Total Investments	-21.3	-10.0	-10.0	-10.0	-10.0	-10.0
TOTAL NET INDEBTEDNESS	438.1	436.6	426.6	423.2	416.0	390.5

Note 31/3/25 subject to change.

Capital Financing Requirement

The underlying need to borrow for capital purposes is measured by adding items on the balance sheet that relate to capital expenditure and is called the Capital Financing Requirement (CFR). Other balance sheet resources are the underlying sums available for investment, such as reserves and working capital.

CIPFA's Prudential Code for Capital Finance in Local Councils recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 2 below shows that the Council expects to comply with this recommendation. `

Liability Benchmark

CIPFA's revised 2021 Codes of Practice introduced the concept of the Liability Benchmark and requires calculation of such as a Prudential Indicator. As the Council operates a two-pool approach to debt management between the HRA and General Fund, two liability benchmarks have been calculated showing the benchmark level of borrowing for each account. This assumes the same forecasts as Table 1 above, such that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity and minimise credit risk.

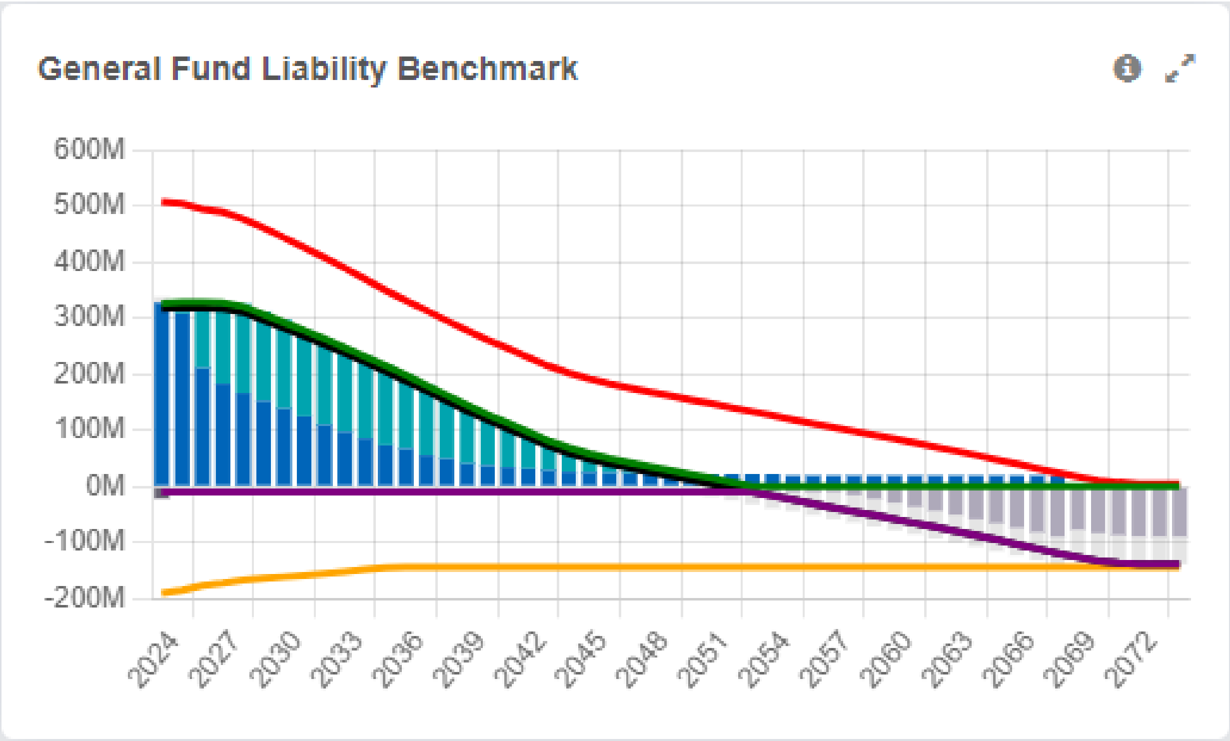
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

CIPFA recommends that the optimum position for external borrowing should be at the level of the Liability Benchmark (i.e., all balance sheet resources should be used to maximise internal borrowing). If the outputs show future periods where external loans are less than the Liability Benchmark, then this indicates a borrowing requirement thus identifying where the Council is exposed to interest rate, liquidity and refinancing risks. Conversely where external loans exceed the Liability Benchmark then this will highlight an overborrowed position which will result in excess cash in the Council requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry.

The treasury strategy further explains how the treasury risks identified by the Liability Benchmark will be managed over the coming years.

Table 2.1: Prudential Indicator: Liability Benchmark - General Fund

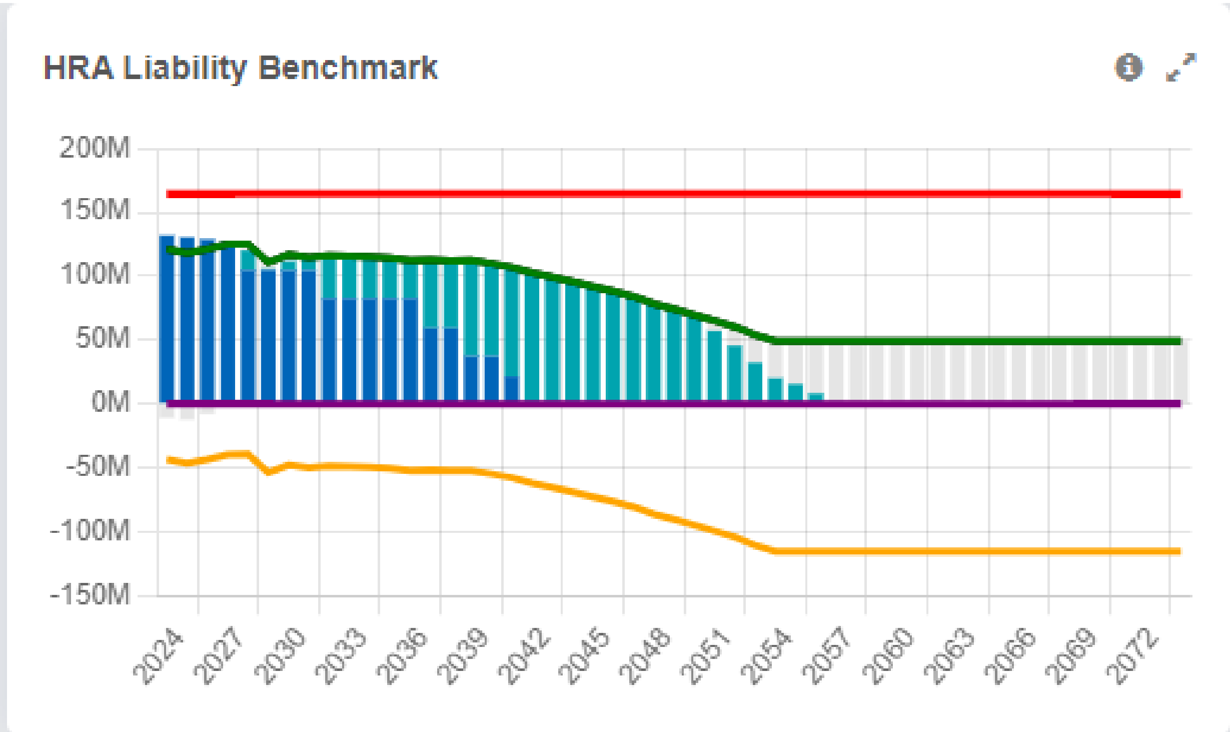
Prudential Indicator: Liability benchmark	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
General Fund CFR	503.4	482.1	470.6	457.4	443.6
Less: Other Balance Sheet Items	-184.7	-176.6	-172.2	-166.5	-163.9
Net loans requirement	**318.7**	**305.5**	**298.4**	**290.9**	**279.7**
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
General Fund Liability Benchmark	**328.7**	**315.5**	**308.4**	**300.9**	**289.7**
Current Loan Commitments	308.0	211.2	183.6	166.8	152.9
Borrowing from HRA	12.5	7.7	2.0	-5.0	-5.0
Committed Lending to HRA					
Borrowings + Net HRA	**320.5**	**218.9**	**185.6**	**161.8**	**147.9**
(Under) / Over benchmark: Borrowing Requirement	**8.2**	**96.6**	**122.8**	**139.1**	**141.8**



The above chart shows the General Fund net loans requirement reducing in line with the Council's projected spending and financing plans. Existing loans are maturing at a faster pace (Blue bars) and therefore additional borrowing will be required to meet financing plans (turquoise bars). Investment balances are projected to remain low to reduce the level of external borrowing required.

Table 2.2: Prudential Indicator: Liability Benchmark - Housing Revenue Account

Prudential Indicator: Liability benchmark	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
HRA CFR	164.6	164.6	164.6	164.6	164.6
Less: HRA Other Balance Sheet Items	-46.7	-43.5	-39.8	-39.5	-53.8
HRA Liability Benchmark	**118.0**	**121.2**	**124.8**	**125.2**	**110.8**
Current Loan Commitments	130.4	128.8	126.8	104.8	104.8
Borrowing from General Fund	-12.5	-7.7	-2.0	5.0	5.0
Borrowings	**118.0**	**121.2**	**124.8**	**109.8**	**109.8**
(Under) / Over benchmark: Borrowing Requirement	**-**	**-**	**-**	**15.3**	**1.0**

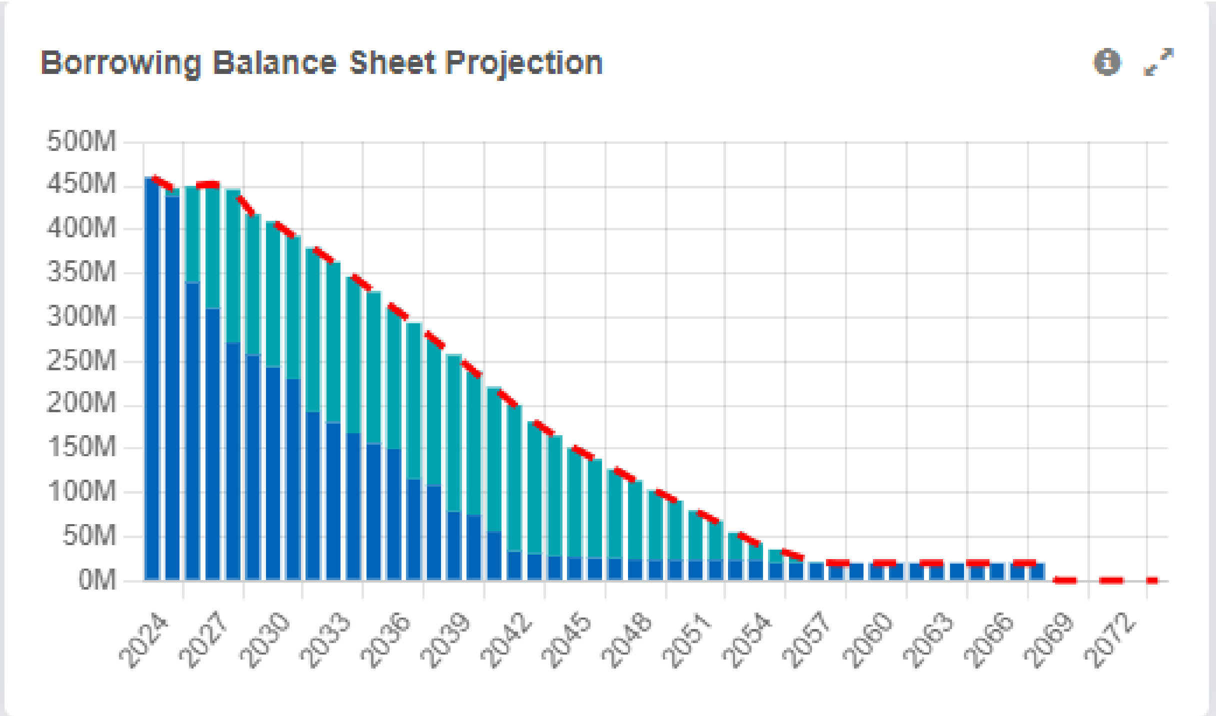


The net indebtedness in the chart above reflects the draft HRA Business plan. The chart shows that, the HRA's current net indebtedness is met mostly from external loans but also some borrowing from the General Fund (grey bars). Some external borrowing will be required as HRA loans mature (turquoise bars). Once the General Fund's net position is in a surplus, it would have cash available to lend to the HRA in lieu of external borrowing.

Borrowing Strategy

The capital programme will include requirement for some new prudential borrowing, however, this will be largely offset by repayment of debt over the same period. **Future capital receipts are to be used to pay off the Capitalisation Direction.** The asset disposal programme has slowed which requires rephasing of financing arrangements. Slippage within the capital programme continues. Officers continue to closely monitor the situation,

The chart below shows the cumulative total borrowing required for both the General Fund and the HRA.



Future borrowing decisions shall be made with regard to the benchmark determined levels of borrowing and the profile that is required and reduce the Council's exposure to unknown future adverse movements in interest rates.

By maintaining a borrowing strategy in line with the Liability Benchmarks, the Council can reduce net borrowing costs and reduce overall treasury risk.

The Council has previously raised all its long-term borrowing from the Public Works Loan Board (PWLB) and Banks. Future borrowing is expected to be from the PWLB, due to the restrictions in the Capitalisation Direction, as well as preferential rates available for the HRA's element of new borrowing.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of Borrowing:

The approved sources of long and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- Local Authorities
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except SBC's Local Government Pension Scheme)

These are the usual lenders to local authorities; however, it is possible that the council may encounter some difficulty in obtaining finance due to perceived credit concerns. Consequently, the primary source of borrowing will remain the PWLB.

Other sources of debt finance:

In addition, capital finance could be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback
- Similar asset-based finance

Bank Loans

Lender's Option Borrower's Option (LOBOs):

The Council holds £9m of LOBO loans whereby the lender has the option to propose an increase in the interest rate at set dates. The Council then has the option to either accept the new rate or to repay the loan at no additional cost. Opportunities to repay any LOBO obligations will be considered when it can be demonstrated to be cost effective and affordable. The next potential call date (likely) is for a £4m LOBO 28th April 2025. The LOBO full term maturity dates are between 2054 and 2066.

Short-term loans:

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. They would be used for liquidity purposes.

Debt Rescheduling:

The PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council is not expecting to repay any loans prematurely.

Capital Strategy

Introduction

Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

The Council's capital expenditure plans are key driver of treasury management activity. All capital expenditure must be financed, either from external sources (government grants and other contributions) or the Authority's own resources (revenue, reserves and capital receipts). Slippage in the Capital programme delays the completion of schemes and can also result in the need to set aside more MRP in the short-term pending receipts being released. The Capital Strategy can be Found at Appendix A.

Prudential Indicators 2025/26

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Councils (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local Councils are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. This increases with new debt-financed capital expenditure and reduces with MRP, and capital receipts used to replace debt.

Table 3- Estimates of Capital Financing Requirement

Estimates of Capital Financing Requirement	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
General Fund services	402.2	390.1	379.0	367.7	355.5
Capitalisation Direction	101.2	92.0	91.6	89.7	88.0
Council housing (HRA)	164.6	164.6	164.6	164.6	164.6
TOTAL CFR	**668.0**	**646.7**	**635.3**	**622.0**	**608.2**

The projected reduction in the CFR has slowed because of the need to borrow to cover the shortfall in expected capital receipts.

Gross Debt and the Capital Financing Requirement:

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Table 4 - Gross Debt and the Capital Financing Requirement

Gross Debt and the Capital Financing Requirement	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Debt (incl. PFI & leases)	476.1	463.8	458.6	449.6	421.4
Capital Financing Requirement	668.0	646.7	635.3	622.0	608.2

Total debt is expected to remain below the CFR during the forecast period.

Debt and the Authorised Limit and Operational Boundary:

There are two limits on external debt:

- the 'Operational Boundary' and
- the 'Authorised Limit'

The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. The Executive Director of Resources (s151 officer) reports that the Council has complied with this prudential indicator in the current year and does not envisage non-compliance for future years as part of the medium-term financial plan.

Both are consistent with the current commitments, existing plans and the proposals for capital expenditure and financing, and with approved treasury management policy statement and practices. They are both based on estimates of most likely, but not worst case, scenario.

The key difference is that the Authorised Limit cannot be breached without prior approval of the Council. It therefore includes more headroom to take account of uncertain events. The Operational Boundary is a more realistic indicator of the likely position.

Operational Boundary for External Debt

The operational boundary is based on the Council's estimate of most likely, (i.e. prudent, but not worst case) scenario for external debt. This has been updated to reflect the liability benchmark, the most likely level of external borrowing as these points.

Table 5 - Operational Boundary for External Debt

Operational Boundary	**31.3.25 £m**	**31.3.26 £m**	**31.3.27 £m**	**31.3.28 £m**	**31.3.29 £m**
Operational boundary – borrowing	446.6	434.8	433.2	427.9	400.5
Operational boundary – PFI and leases	**29.5**	**27.2**	**25.4**	**23.5**	**20.9**
Operational boundary - total external debt	**476.1**	**462.0**	**458.6**	**451.4**	**421.4**

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Authorised Limit for External Debt

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003 it is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the operational boundary for unusual cash movements.

Table 6 - Authorised Limit for External Debt

Authorised Limit	31.3.25 £m	31.3.26 £m	31.3.27 £m	31.3.28 £m	31.3.29 £m
Authorised limit - borrowing	**678.0**	**654.9**	**645.3**	**633.9**	**618.2**
Authorised limit - PFI and leases	**29.5**	**27.2**	**25.4**	**23.5**	**20.9**
Authorised limit - total external debt	**707.5**	**682.1**	**670.7**	**657.3**	**639.1**

Investment Strategy

Introduction

The 2021 Code revision categorised three types of local authority investments:

- treasury management investments being surplus cash from its day-to-day activities, for example when income is received in advance of expenditure (known as),
- service investments to support local public services by lending to or buying shares in other organisations, and
- Commercial investments where the earning of investment income is the main purpose.

This Investment Strategy focuses upon the first category and complies with the requirements of the MHCLG guidance on Investment Strategies 2018. The second and third categories are dealt with in the Non-Treasury Investment Appendix D

The Council typically receives its income (e.g. from taxes and grants) before it pays for its expenditure (e.g. through payroll and invoices). It also holds grants received in advance of future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA and central government. The balance of treasury investments is expected to fluctuate between £10m and £50m during the financial year and this cash flow is closely linked to the Council's Asset Disposal programme.

As at 31 March 2024, the Council held £22.1m invested funds, representing income received in advance of expenditure plus balances and reserves held.

Objectives:

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Owing to the low levels of balances and cash flow priorities it is unlikely that the council will entire into any investment over one year.

Strategy:

As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. Given the risk of short-term unsecured bank investments, the Council has so far invested mainly with low volatility Money Market Funds.

it is proposed that Council become Partners in the London Treasury Liquidity Fund (LTLF) a wholly owned subsidiary of the Greater London Authority. A due diligence exercise with Legal and Investment Advisors has been initiated to determine the suitability of this option. The Fund manages assets of c£4bn and is designed for local authorities, operates a diversified liquid, risk managed portfolio that has the potential to deliver administrative and financial savings. It is recommended that subject to successful due diligence authorisation to invest in the Fund and join the partnership is delegated to the S151 officer. A copy of the 2024/25 LTLF Investment Strategy can be found at Appendix C. The 2025/26 Strategy is expected to be available in February 2025. This would replace the Council's Investment strategy (Instruments and Limits set out below). The transition to the LTLF would commence at the earliest opportunity following the conclusion of all legal requirements.

Investment Limits:

Table 7 below reflects the advice from Arlingclose regarding approved investments and limits. As stated above the Council's balances are low and predominantly invested to facilitate cash flow management, as such it is unlikely that the council will venture into any investments over 365 days. When considering investment limits in the chart below the council will also refer to the credit ratings of the individual organisations to make the final assessment.

Treasury Investment Approved Counterparty List & Limits:

The Council may invest its surplus funds with any of the counterparty types in table 7 below, subject to the limits shown.

Table 7 - Treasury investment Approved Counterparty List and Limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	5 years	£50m	£100m
London Treasury Liquidity Fund (subject to approval)	n/a	£50m	£50m
Banks (secured /unsecured) *	13 months	£2m	£10m
Building societies (unsecured) *	13 months	£2m	£10m
Money market funds *	n/a	£10m	£100m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Operational bank accounts: The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £500k per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be considered when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority's revenue reserves (unallocated) available to cover investment losses are forecast to be £21million on 31st March 2024 and £22 million on 31st March 2025. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £2 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £1m in operational bank accounts count against the relevant investment limits.

Limits are also placed foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 8 – Additional Investment Limits

	Cash limit
Foreign countries	£10m per country

Liquidity Management:
The Council uses purpose-built cash flow forecasting software PS Live to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast. The Council will spread its liquid cash over multiple providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

ESG Policy:
Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Budget Assumptions for 2025/26

- Investments to return an average rate of 5.0%
- New 20y PWLB certainty rate loans expected average 5.60%
- New short-term refinancing loans expected average rate **of 5.45%**

Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security:

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	**Target**
Portfolio average credit	A

Liquidity:

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within three months	£10m

Maturity Structure of Borrowing:

This indicator is set to control the Council's exposure to refinancing risk in any given period. The upper and lower limits on the maturity structure of borrowing will be:

Table 9 - Maturity Structure of Borrowing as at 31st December 2024

Refinancing Rate Risk Indicator	Upper limit	Lower limit	Position
Under 12 months	30%	0%	21.8%
12 months and within 24 months	30%	0%	7.4%
24 months and within 5 years	30%	0%	15.4%
5 years and within 10 years	40%	0%	20.2%
10 years and above	70%	0%	35.2%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Table 10 Long Term Treasury Management Investments

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investment. The prudential limit for long term investments will be:

Price risk indicator	2025/26	2026/27	2027/28	2028/29	No Fixed Date
Limit on principal invested beyond year end	0	0	0	0	0

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. In line with the debt reduction plan there should be a long-term strategy to reduce the financing costs to net revenue to a figure not exceeding 10% in the future.

Table 11: Prudential Indicator: Proportion of financing costs to net revenue stream

	2024/25 estimate (£m)	2025/26 budget (£m)	2026/27 budget (£m)
General Fund Net Financing Costs	**25.2**	**26.0**	**25.8**
Ratio of Financing Costs to Net Revenue Stream	17.1%	15.8%	15.5%

HRA Financing Costs	**4.3**	**4.5**	**4.7**
Ratio of Financing Costs to Net Revenue Stream	9.7%	10.0%	10.1%

A minimum level of HRA general reserve is deemed to be £4m, Major Repairs Reserve £5m and minimum interest cover is 1.25 times, represents the affordability framework within the HRA Business Plan.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50years into the future. The Executive Director of Finance & Commercial (s151 0fficer) is satisfied that the proposed capital programme is prudent, affordable and sustainable.

Borrowing in Advance of Need

Government guidance is that local Councils must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council has chosen not to follow this guidance and has previously borrowed for this purpose because it wants to generate income to support its local economy and its statutory duties. This is a common practice by local Councils since the Localism Act of 2011.

Minimum Revenue Provision Statement 2025/26

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). MHCLG Guidance requires the Council to approve an Annual MRP Statement each year. There are no changes to the MRP Policy agreed in March 2024.

Minimum Revenue Provision Policy

The MRP payment is a revenue charge. MRP will commence in the financial year following the asset coming into use or after purchase.

For capital expenditure incurred before 1st April 2008, for supported capital expenditure incurred on or before that date, MRP will be charged on an annuity basis over 50 years, incorporating an "Adjustment A" in accordance to the guidance.

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years.

For capital expenditure loans to third parties, the Council will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Council's, view is consistent with the current regulations.

Capital receipts received from the sale of investment properties will be allocated to the Capitalisation Direction.

Capitalisation Directions - For capitalisation directions on expenditure incurred after 1 April 2008 MRP will be made using the annuity method over the lifespan provided in the capitalisation direction.

PFI/Leases - For assets acquired by leases or the Private Finance Initiative, the Council changed its policy with effect from 01/04/2021 such that MRP can be charged over the life of the assets on an annuity basis. This is in line with the Council's MRP policy for all other assets as described above.

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Policy on use of Financial Derivatives:

Local Councils have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local Councils' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council does not expect to enter into any standalone derivative instruments. As per Code requirements this strategy states that the council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account:

On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured regularly, and interest transferred between the General Fund and HRA at the Council's average interest rate on treasury investments excluding strategic pooled funds, adjusted for credit risk if a net investment balance and at the Council's average rate of borrowing if a net borrowing balance. .

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status

Investment Training:

The needs of the Council's treasury management staff for training in investment management are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. A Knowledge and Skills Policy in line with recommendations in CIPFA's revised Code is being developed.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Financial Implications

The estimate for investment income in 2025/26 is £1.3 million, based on an average investment portfolio of £24.9 million at an interest rate of 5.12%. The estimate for debt interest paid in 2025/26 is £11.2 million for the General Fund and £4.5 million for the HRA, based on average debt portfolios of £316.2 million and £130.9million respectively. The average interest rate for the General Fund is projected to be 3.55% and 3.48% for the HRA. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

The Treasury Management Practices, Principles and Schedules

The Treasury Management Practices, Principles and Schedules set out the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. The Audit and Corporate Governance Committee is required to approve the Treasury Management Practices, Principles and Schedules each year under delegated decision.

Investment of Money Borrowed in Advance of Need

If the council were to borrow in advance of need, where this is expected to provide the best long-term value for money then associated risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be less than one year, although the Council is not required to link loans with items of expenditure.

Other Options Considered

The MHCLG Guidance and the CIPFA Code does not prescribe a particular treasury management strategy for local Councils to adopt. The Executive Director of Finance and Commercial (S151), having consulted the Cabinet Member for Finance and Commercial, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness with regards to the specific financial circumstances of the Council.

Slough Borough Council Capital Strategy 2025/26 – 2028/29 Appendix A

Introduction

This Capital Strategy is intended to give a high-level overview of how capital expenditure and financing plans are decided upon and provides the framework for the development, management and monitoring of the Council's capital investment plans.

Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

The Capital Strategy focuses on core principles that underpin the Council's three year capital programme as presented in this strategy. It gives a position statement with regards to capital expenditure and the resources available in terms of funding. The Strategy projects where the Council will be in three years' time and how it will get there. It also focuses on the key issues and risks that will impact on the delivery of the Capital Investment Strategy and the governance framework required to ensure the Strategy is delivered.

The Strategy maintains a strong and current link to the Council's priorities and to its key strategy documents notably the Treasury Management Strategy, Asset Management Strategy, Property Investment Strategy, Medium Term Financial Strategy and the Corporate Plan.

The Council's capital expenditure plans are key driver of treasury management activity. All capital expenditure must be financed, either from external sources (government grants and other contributions) or the Authority's own resources (revenue, reserves and capital receipts). Slippage in the Capital programme delays the completion of schemes and can also result in the need to set aside more MRP in the short-term pending receipts being released.

Capital Expenditure and Financing

The capital programme is likely to be experience slippage at the end of 2024/25. The requirement for carry forward will need to be approved by Cabinet, and will necessitate some rephasing of the capital programme to 2029/30.

As at November 2024, the Council was forecasting capital expenditure of £69.9m in 2024/25, as summarised below in Table A:

Table A: Prudential Indicator: Estimates of Capital Expenditure

Estimates of Capital Expenditure	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
General Fund	50.1	51.3	25.0	9.5	8.7
Council Housing (HRA)	19.8	23.0	20.4	20.5	20.7
TOTAL	**69.9**	**74.4**	**45.4**	**30.0**	**29.4**

The focus for capital expenditure will continue to align with delivery of the council's statutory duties and corporate plan priorities, with a focus on:

- essential services are deliverable safely
- Investment that delivers revenue savings or minimises revenue expenditure
- Maximising external funding sources

The main General Fund capital projects include.

- Special School Expansion-Primary, Secondary & Post 16; £16.9m (TBC), additional funding has been received from DfE for a large project at Arbour Vale School to create more special needs places for children in the borough.

- A4 Cycle Lane £9.5m, this project has experienced delays but has now started in June 2024 and is due to complete in 2027/28.

- Destination Farnham Road £11.9m for a scheme to revitalise the Farnham Road area by prioritising walking and cycling and improving bus priority through signal upgrades and the enforcement of parking restrictions.

- Flood defences at Sponge city £7.1m.

- Highways grant funded schemes, £3.2m, various projects to improve roads in the borough.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes capital works to existing stock and development of new affordable homes. The draft HRA Capital Programme to 2029/30 is indicative subject to finalisation of the updated HRA 30-year business plan. It is anticipated the programme will be funded from a combination of major repairs and revenue reserves, right-to-buy and other unapplied capital receipts. No additional borrowing is anticipated to be required to fund the programme.

As the Council continues to increase its capital investment programme and consider the wider strategic use of capital receipts from disposal of surplus assets , it is timely for the Council to set out its approach to monitoring the financial capacity, capability of the HRA to deliver on its objectives towards refurbishment, investment, regeneration, and new supply and ensure the HRA remains sustainable over the 30-year period of the Plan. In doing so the following is proposed:

- The HRA minimum general balance needs to be sufficient to provide a contingency for the account. Currently at a level of £4m, equating to circa. 10% of annual gross rent
- A Major Repairs Reserve £5m for any unplanned or urgent application that may be required to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA
- Interest cover ratio - This is the ratio of operating surplus divided by interest costs and represents the cover that the HRA has against its interest cost liabilities in any year. Housing Association lending covenants are generally based on an ICR of between 1.10 and 1.50 with 1.25 being a typical golden rule. This strategy sets out that the ICR for the HRA should remain at 1.25 or above for the duration of the 30-year plan.

The above will need to be monitored on an annual basis by the Section 151 Officer and revised upwards if they consider that the risks and pressures facing the HRA warrants an increase and reassessed at each gate way review for the plan.

The planned financing of the above expenditure is as follows:

Table B: Capital Financing

There may be a requirement to redirect capital receipts assumed within the original programme to finance agreed schemes, to finance the Capitalisation Directions in the context of reduced asset disposals.

Capital Financing	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
General Fund:					
Grants & Contributions	25.9	32.0	14.6	7.3	4.8
Capital Receipts	1.0	1.4	0.1	-	-
Revenue Resources	0.0	0.2	0.2	0.2	0.2
Prudential Borrowing - Capitalisation Directive	23.1	15.7	9.2	1.4	-
New borrowing	0.1	2.1	0.9	0.6	3.7
Total General Fund	**50.1**	**51.5**	**25.0**	**9.5**	**8.7**

HRA:					
S106	-	-	0.5	0.5	0.5
Capital Receipts	4.8	10.5	5.9	3.9	3.9
Major Repairs Reserve	13.6	9.7	11.2	13.3	16.3
Grant and other contributions	1.3	2.8	2.8	2.8	-
Revenue Contributions	-	-	-	-	-
Total HRA	**19.8**	**23.0**	**20.4**	**20.5**	**20.7**

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP) Alternatively, proceeds from selling capital assets (capital receipts) may be used to replace debt finance. Planned MRP / repayments and use of capital receipts are presented in table C below.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Capitalisation Direction allows the Council to treat certain revenue expenditure as capital expenditure. The Council needs to fund the revenue expenditure from its own capital, including from receipts arising out of disposal of assets where these are General Fund assets. The Council plans to receive £39.0m of net GF capital receipts in the coming financial years from 2024/25 to 2026/27. In addition, it is assumed £4m of receipts from HRA disposals during 2024/25 that will be applied to GF under the no detriment rule.

Planned MRP and level of capital receipts used in place of debt finance are as follows:

Table C: Replacement of Prior Years' Debt Finance

Reduction of the Capital Financing Requirement through application of MRP and capital receipts	31.3.25 Estimate £m	31.3.26 Budget £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Minimum revenue provision (MRP) - General	12.9	12.0	11.1	11.4	12.1
Minimum revenue provision (MRP) - Capitalisation Direction	2.9	3.3	3.0	3.3	3.5
Capital receipts applied to previous years' Capitalisation Directions	11.5	21.7	4.7	-	-
TOTAL	**27.3**	**37.0**	**18.8**	**14.6**	**15.7**

APPENDIX B

THE TREASURY MANAGEMENT POLICY STATEMENT

CIPFA' Code guidance recommends that each Local Authority has a Treasury Management Policy Statement that is approved by the Full Council and that the following form of words is used to define the policies and objectives of its treasury management activities.

This Council defines its Treasury Management activities as:

- The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance.

APPENDIX C LTLF Investment Strategy

The 2024/25 Investment Strategy is currently under review by LTL. The revised 2025/26 strategy is expected in February 2025. In the event of any significant changes members shall be notified at the next available committee.

Non-Treasury Management Investments Appendix D

Introduction

The non-treasury management investment strategy is required following statutory guidance issued by the government (MHCLG) in January 2018 and focuses upon service and commercial investments defined as per below:

1. **Service Investments** – those made to support local public services by lending to or buying shares in other organisations; and

2. **Commercial Investments** – those made to regenerate the Borough or immediate economic area to encourage private investment and to create or retain local jobs.

Non-Treasury Management Investments

The council has made several such investments in the past via loan structures and these are detailed in Table D1 below. No new investments are envisaged in the medium term. If the situation changes all investments will be subject to business cases that comply with CIPFA guidance.

Contribution: The Code requires that where such investments have been made reference is made to the contribution these investments make to help support the Council's budget to enable it to delivery its essential services.

Service Investments

Table D.1 : Non-Treasury Investments*

Interest receivable 2023/24	Debtor	Balance at 31/03/2025	Interest receivable 2024/25	Rate
£000s		£000s	£000s	%
1,552	James Elliman Homes	51,700	1,552	3%
144	SUR LLP - loan notes	735	37	5%
355	GRE 5 Ltd	2,192	132	6%
71	Slough Children First Ltd	5,000	71	1.40%
2,122		**59,627**	**1,791**	**3.85%**

*Subject to finalisation of 2023/24 accounts and review of 2024/25 transactions

Loans

The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities or housing associations etc. to support local public services and stimulate local economic growth.

The council will ensure that a full due diligence exercise is undertaken, and adequate security is in place. The business case will balance the benefits and risks. All loans are agreed by the Section 151 Officer. All loans will be subject to close, regular monitoring.

Loans are treated as capital expenditure for accounting treatment. These service investments and loans will need to be considered in the context of the Councils wider target affordability thresholds outlined in the section on Revenue Budget Implications above.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. Therefore, the Council should aim to take security against assets to mitigate the risk of default.

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk Assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by:

1. reviewing the financial statements of the organisation and reviewing the organisation's business plans and future projections and future cash flows.

2. assessing what security is available to secure the loan and if necessary, carry out a professional valuation of any property.

3. using external advisors to provide professional information such as due diligence requirements.

4. the loan agreements are reviewed by our legal team to ensure that they are legally compliant and includes any safeguards for the Council.

5. if an organisation has a credit rating, we will carry out a credit check to assist.

6. the rate of interest charged on any loan will reflect the risk of the project and potential for default.

7. subsidy controls rules are considered before a loan can be considered.

Shares

The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth.

Security:

One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered.

Risk Assessment:

The Council assesses the risk of loss before entering into and whilst holding shares by reviewing the history of the organisation, its financial statements and its share values. The Council will also look at business plans, future cash flows and any other market information that may affect the organisation.

Liquidity: The Council covers its liquidity for working capital and cash flow by holding cash in Money Market Funds and being able to borrow short term loans from other local Councils.

Property Investment:

Security:

One of the risks of investing in property is that the value may fall due to market fluctuations meaning that in the event of a disposal the initial outlay may not be recovered.

Risk Assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by carrying out an evaluation process.

The risk of not achieving the desired profit or borrowing costs increasing or the having vacant premises is partially covered by a void reserve. Annual payments are deducted from the rental income each year to add to the void reserve.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed; the Council makes an internal charge (service borrowing) to cover the capital repayments from the rental income.

The Council also makes alternative arrangement to cover their short-term cash requirements.

Proportionality

The Council uses the profit generated by the commercial investments to help achieve a balanced revenue budget.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council.

Appendix E

Arlingclose Economic Outlook

Economic and Interest Rate Forecast 23rd December 2024

- **As expected, the Monetary Policy Committee (MPC) held Bank Rate at 4.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.**
- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.
- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.
- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.
- CPI inflation rates have risen due to higher energy prices and less favourable base effects. The current CPI rate of 2.6% could rise further in Q1 2025. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over target in 2026.
- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.
- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges.

	Current	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.90	4.60	4.35	4.10	3.90	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.34	4.30	4.20	4.10	4.00	3.90	3.90	3.95	4.00	4.05	4.05	4.05	4.05
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.56	4.55	4.45	4.30	4.20	4.20	4.20	4.20	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	5.05	5.00	4.90	4.80	4.70	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.52	4.70	4.60	4.50	4.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; National Wealth Fund Rate (Maturity Loans) = Gilt yield + 0.40%

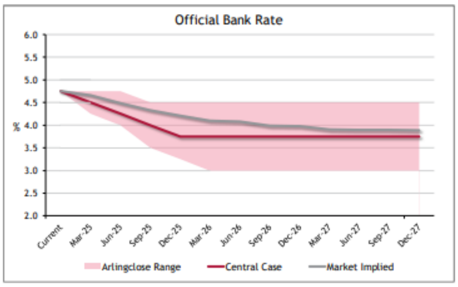
- **In line with our forecast, Bank Rate was held at 4.75% in December.**
- **The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2025, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.**
- **Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.**
- **This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.**
- **The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.**

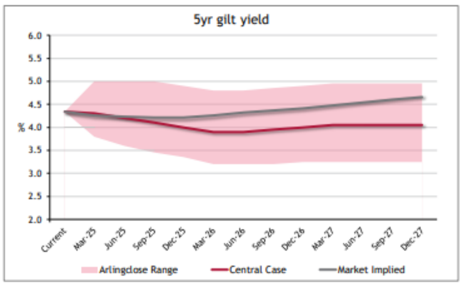
Charts show the Arlingclose central case along with upside and downside risks:
Arlingclose judges that the risks around its Bank Rate and gilt yield forecasts are to the upside in the short term, but broadly balanced over the medium term.

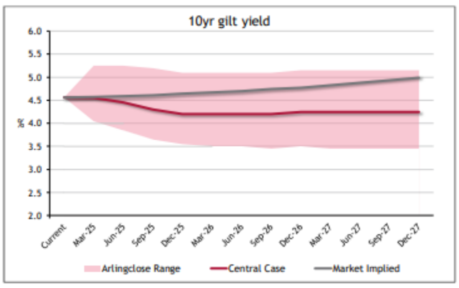
PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%
NWF Rate (Maturity Loans) = Gilt yield + 0.40%

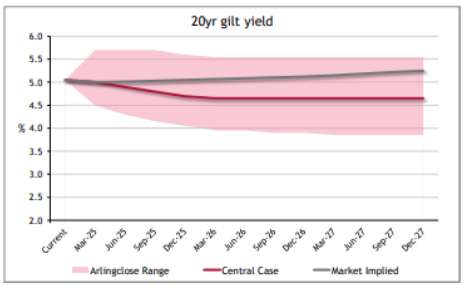
Arlingclose forecast:
23rd December 2024

Market forward curves:
23rd December 2024



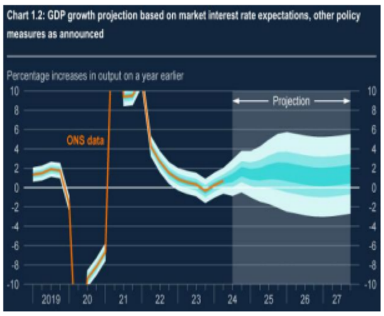




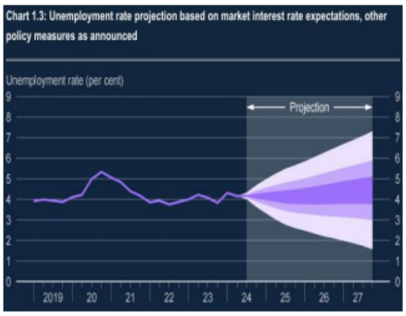


BoE Monetary Policy Report - November 2024

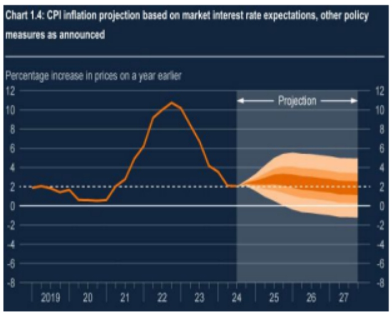
Outlook for UK GDP growth



Outlook for UK Unemployment



Outlook for UK CPI inflation



- While UK GDP growth picked up sharply in 2024, underlying economic momentum appears subdued. Growth is expected to ease slightly in 2025 before gradually recovering, reflecting both the delayed impact of prior Bank Rate increases and the fading of restrictive monetary policy effects over time. Aggregate demand and supply currently remain balanced; however, a margin of economic slack is projected to emerge through 2024 and 2025, partly due to the sustained restrictive policy stance.

- Labour market data from the ONS remains variable, though broader indicators suggest the market is beginning to loosen as labour demand cools. Unemployment is expected to edge up, a sign of moderating labour tightness.

- Notably, inflation remains a key concern; CPI is projected to rise to approximately 2.75% by the end of 2024, as the previous year's energy price reductions fall out of annual comparisons, revealing the underlying persistence of domestic inflationary pressures. Inflation is then expected to fall to the Bank of England's target by the end of 2027.

APPENDIX F

TREASURY MANAGEMENT REPORTING CYCLE

The Council has adopted the following reporting arrangements in accordance with the requirements of the Treasury Management Code:

Area of Responsibility	**Council/Committee/Officer**	**Frequency**
Treasury Management Policy Statement	Full Council	Annually before start of financial year
Treasury Management Strategy/Annual Investment Strategy	Full Council	Annually before start of financial year
Quarterly Treasury Management and Prudential Indicator updates	Audit & Corporate Governance Committee	Quarterly
Updates or revisions to Treasury Management Strategy/Annual Investment Strategy during year	Cabinet (following consideration by Corporate Governance Committee, wherever practical)	Ad hoc
Annual Treasury Outturn Report	Cabinet	Annually by end of September following year end
Treasury Management Practices	Executive Director of Resources	As needed
Review of Treasury Management Strategy/Annual Investment Strategy	Audit & Corporate Governance Committee	Annually before start of financial year and before consideration by full Council, wherever practical
Review of Treasury Management Performance	Audit & Corporate Governance Committee	Annually by end of September following year end

The CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and demonstrating compliance with the CIPFA FM Code is a collective responsibility of elected members, the s151 Officer and all members of the leadership team.

In the context of this strategy the Council will ensure, maintain, or improve compliance with the code in the following areas:

- There are appropriate arrangements in place for the project management and cost control of capital projects.
- The Council has in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set.
- The Council has identified the elements of the balance sheet that are most critical to its financial sustainability and has put in place mechanisms to monitor the risk associated with these.
- The Council has taken action to mitigate any risks identified.
- The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.
- The Council will report planned and unplanned use of reserves in a timely manner[quarterly] to the management team and to Cabinet.

- The monitoring of balance sheet risks will be integrated into the quarterly budget monitoring reporting processes. The Councils' treasury management system facilitates live balance sheet analysis.

Capacity, Skills and Culture

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

The Council employs staff with professional qualifications including CIPFA, ACCA, CIMA, MRICS, CIPS etc. and supports permanent staff to study towards relevant qualifications.

The S151 Officer should regularly review the skillsets of elected members and all officers with governance and financial management responsibility to ensure as a collective there is the appropriate skills, training and support to fulfil these responsibilities. This will be set out formally in a new Knowledge and Skills Policy to be presented later in 2025/2026

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field, can provide capacity, manage risks and support knowledge transfer. The Council currently employs Arlingclose Limited as treasury management advisers.

The Property Director receives regular updates on market activity, trends, forecasts and occupier activity from RICS firms and in-house surveyors to support the decision process.

Appendix 9 – Budget risks register

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
MTFS	R0027	CR10 (Financial Sustainability)	Failure to achieve financial sustainability and a balanced MTFS. The risk value is cumulative risk per annum.	Strategy is leading a corporate approach to integrate corporate planning and financial strategy to develop a balanced budget for February 2026 in consultation with the S151 Officer and CLT	Red	0.000	13.169	18.681	21.787
MTFS Total						**0.000**	**13.169**	**18.681**	**21.787**
Funding	R0016	Council tax	Sensitivity in council tax assumptions	1% sensitivity change in council tax assumptions impacting on future year	Yellow	0.000	0.874	0.916	0.967
	R0037	Future year funding assumptions	Future year funding assumptions differ from those modelled in the MTFS	A prudent approach has been taken to model future years due to the level of uncertainty in local government finance reforms and therefore based on known / predicted information. There is a potential upside that the assumptions may be better than modelled once further information becomes available.	Yellow				
Funding Total						**0.000**	**0.874**	**0.916**	**0.967**
Inflation	R0002	Pay Award	Pay Award will not be known before the budget is set.	2% has been allowed for, which is broadly in line with inflationary forecasts. The risk quantified is for general fund only	Yellow	0.567	0.578	0.590	0.602

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
	R0008	Inflation	Inflation in 2025/26 and across the MTFS is higher than projections built into the budget. OBR October 2024 forecast is greater than MTFS assumptions.	Inflation has been held at 2.00% and aligns to projected CPI increases. Known contracts where indexation is above 2.00% have been factored into the budget. Each additional 1% equates to approx. £0.750m.	Yellow	0.750	0.750	0.750	0.750
	R0015	Adult Social Care	Adult Social Care – increased provider fee uplifts reflecting changes in NLW and employer National Insurance contributions. Provider Fee Discretionary Fee Uplift non-contractual 2025/26 (0% funded at present for 2025/26) estimate at 4.0% of current forecast circa £50m.	Adopt a "risk based" approach to provider increases, undertaking assessments on a provider by provider basis. It is expected that different Primary Support categories would require a different rate agreed rather than a straight % increase across the entire market. Evidence is still required from the service to quantify this risk.	Red	3.195	3.195	3.195	3.195
Inflation Total						**4.512**	**4.523**	**4.535**	**4.547**
Demand	R0004	Adult Social Care	Adult Social Care – additional demand on services beyond the budget provision.	Extensive work over the summer, and in the project rooms, has ensured projections are more evidence based than before. The budget has included growth to right size the budget with a further amount set aside in a risk budget to manage fluctuations in demand. The risk here is if mitigations is not sufficient and growth projections exceed re basing of the budget	Red	2.000	2.000	2.000	2.000

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
	R0005	Temporary Accommodation	Temporary Accommodation – additional demand beyond budget provision	The project rooms held during Q3 2024/25 has ensured that the current projections reflect current spend. Further data and analysis remain outstanding but is being developed by the Temporary Accommodation project team. At this time 10% of current spend has been used to quantify a risk.	Red	3.000	3.000	3.000	3.000
	R0006	Demand	Demand for our other services and / or cost is greater than budget estimates	CLT will continue to undertake monthly monitoring. A general fund contingency has been set aside to manage demand / cost risks.	Green	0.000	0.000	0.000	0.000
	R0018	CR01 (Children and Young People)	The risk is that children and young people in Slough are not adequately safeguarded because of insufficient resources. Resources can be financial, and /or related to a shortage of staff, their capacity and capability Ref 01.01 Insufficient financial resources	SCF is currently managing within its means however there are further financial challenges over the next 12 months which will be quantified as necessary.	Green	0.000	0.000	0.000	0.000

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
	R0020	CR03 (Failure of Special Educational Needs and Disability SEND)	Slough has a statutory duty under SEND Code of Practice to provide educational resources to all children and young people living in Slough…...The council has entered into a Safety Valve Agreement (SVA). Therefore as well as impacting on the overall council budget position, a significantly higher level of SEND spending could threaten the additional funding being offered. Ref 03.02 - financial risk to the council and possibility of not receiving Safety Valve Agreement payments to offset the budget deficit	A new SEND finance transformation team is overseeing the financial plan and the Safety Valve Agreement. A SEND update report to December 2024 Cabinet outlines that the safety valve agreement is being appropriately managed. Additional demand beyond budget provision remains a risk which should it occur be managed within the contingency budget.	Red	0.000	0.000	0.000	0.000
Demand Total						**5.000**	**5.000**	**5.000**	**5.000**
Savings	R0003	Saving proposal - workforce reduction	Risk of delay in achieving reduction in establishment	Assume 1 quarter delay for effective date 1 April 2025 for posts requiring redeployment / consultation	Yellow	0.083	0.000	0.000	0.000
	R0032	Non delivery of savings	High (The approach to delivery is dependent on either a policy change and / or implementing new technology / processes and / or consultation)	Monthly monitoring through the Design Authority / budget monitoring to agree and implement corrective actions	Red	1.595			

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
	R0033	Non delivery of savings	Medium (The approach to delivery is to be finalised)	Monthly monitoring through the Design Authority / budget monitoring to agree and implement corrective actions	Amber	5.302			
	R0034	Non delivery of savings	Low (A robust approach to delivery is clear including timescales and any change factors have been agreed or are in place)	Monthly monitoring through the Design Authority / budget monitoring to agree and implement corrective actions	Green	4.909			
Savings Total						**11.889**	**0.000**	**0.000**	**0.000**
Companies	R0013	Council Owned Entities	Council Owned Entities (JEH / GRE5 / SCF) – risk that the retained losses need to be underwritten by the Council	To date £3.3m has been set aside in a provision and contribution for 2024/25 - this represents 25.4% of company risk. Company risk is based on profit and loss reserves and the potential for impact for increases on NI employer contributions. All three companies have a positive current asset / current liability ratio.	Red	9.700	0.000	0.000	0.000
Companies Total						**9.700**	**0.000**	**0.000**	**0.000**
Corporate	R0012	Backlog Accounts	Backlog Accounts – that liabilities are identified as part of the finalisation of the prior year accounts	Completion of the prior year accounts for 2023/24 and the balance sheet review	Green	2.000	0.000	0.000	0.000

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
	R0024	CR07 (Health and Safety)	We fail to prevent physical injury and mental harm Ref 06.01 we fail to prioritise, adequately fund or manage risks associated with corporate health and safety 06.02 - we fail to prioritise adequately fund or manage risks associated with fire 06.03 - we fail to prioritise, adequately fund or manage risks associated with aggressive behaviour	We continue to wait for condition surveys to enable the risk to be quantified	Red	0.000	0.000	0.000	0.000
	R0039	Statutory Inspections	The council has several statutory inspections recently undertaken or are imminent. This increases the council to risk dependent on any resulting action plans	The council has in place a recovery plan to capture any additional risks and set aside transformation funding to deliver change for the council. This will be reviewed monthly.	Yellow				
Corporate Total						**2.000**	**0.000**	**0.000**	**0.000**
Financing costs	R0009	Capital Borrowing Costs	Capital Borrowing Costs increase beyond MTFS assumptions	Monthly monitoring of borrowing costs. Use of public sector partnership arrangement to achieve value for money	Green	0.250	0.000	0.000	0.000
	R0010	Investment Rates	Investment Rates volatility and decrease beyond MTFS assumptions	Monthly monitoring of investment rates.	Green	0.200	0.000	0.000	0.000

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2025/26 £m	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
	R0028	CR11 (Failure of asset disposal programme)	The number and value of assets that could potentially be sold is a key element in setting the financial target for the programme. Ref 10.01 - Property disposals not hitting financial targets and sitting outside of lower volatility levels 10.04 - external property market volatility	10.01 - continue with asset sales meeting financial targets 10.04 - market is currently stable after a downward trend. Positive movement is anticipated which will allow better sales proceeds and positive volatility The financial risk has been based on under delivery of £5m of capital receipts	Amber	0.250	0.500	0.000	0.000
Financing costs Total						**0.700**	**0.500**	**0.000**	**0.000**
Reserves	R0014	Reserves	Reserves is not sufficient to meet risks should they materialise and cannot be mitigated	An assessment will be undertaken as part of preparation of the Section 25 statement	Green	0.000	0.000	0.000	0.000
Reserves Total						**0.000**	**0.000**	**0.000**	**0.000**
DSG	R0036	DSG Deficit and Safety Valve	DSG deficit and safety valve agreement is not met to manage demand and reduce the deficit to nil		Yellow				
DSG Total									
Grand Total						**33.801**	**24.066**	**29.132**	**32.301**

Appendix 10 – Budget Consultation responses

A survey on the 2025-26 budget proposals was conducted on the Citizen Space platform. The survey was open from 15 November 2024 to 5 January 2025. There were 25 responses. pp p**1: How strongly do you agree or disagree with our priorities?** pp9 respondents (36%) strongly agreed and 11 (44%) tended to agree with the council's corporate plan priorities. 4 (16%) strongly disagreed.

2: Do you work for Slough Borough Council?

5 respondents (20%) worked for Slough Borough Council.

3: Please rank the following in your order of preference where 1 is most preferred and 3 is least preferred.

The options were ranked in the following order, where a higher score means it was more preferred:

- Charging for services which are free or increasing charges for services we currently charge for – Rank: 2.12
- Reducing some services or removing parts of them – Rank: 1.96
- Increasing council tax – Rank: 1.2

4: One of the ways to balance the budget is to reduce some services. For each of the services listed below, please tell us whether you think our spending on them is too much, the right amount, or too little.

More than 50% of respondents thought the proposed budget was too much for:

- Council owned private sector housing (Housing Company) £5.201m – 19 (76%)
- Homelessness support and temporary accommodation £16.874m – 18 (72%)
- Parking and Car Parks £2.259m – 13 (52%)
- Planning and building control £2.626m – 15 (60%)
- Children's services: Child social care, including welfare, fostering and adoption and child protection including support for young carers (Slough Children First) £38.592m – 14 (56%)
- Children's services: Home to school transport provided by the council £4.036m – 17 (68%)
- Ring-fenced budgets: Public health services, such as smoking cessation or weight management £8.818 – 15 (60%)
- Designated Schools Grant: High Needs £22.408m – 13 (52%)

There were 12 more services where "too much" had more than 30% of responses but less than 50% - "too much" was the highest or joint-highest response for 9 of these.

More than 50% of respondents thought the proposed budget was too little for:

Community safety and public protection £2.411m – 15 respondents (60%)

6: Our most used council services are listed below. Which of the following services have you used in the last 12 months? Select as many as apply.

The 10 most used services were:

- Parking and Car Parks – 18 respondents (72%)
- Council owned leisure facilities, parks, and open spaces – 13 (52%)
- Waste services, such as household waste and recycling collections and waste sites and recycling centres – 13 (52%)
- Highways and roads – 12 (48%)
- Libraries – 11 (44%)
- Electoral services – 9 (36%)
- Concessionary bus travel and Blue Badge – 6 (24%)
- Cemeteries, Crematorium and Coroner's Service – 5 (20%)
- Customer service hubs, face to face local access points for council advice and services – 5 (20%)
- Council housing and leaseholder services – 3 (12%)

Write-in comments (Q1 & 5)

There were two questions in the main survey where respondents could write in comments:

Q1 – This asked "How strong do you agree or disagree with our priorities?" Following the 5 agree/disagree radio button options, there was an optional text box which asked "If you disagree with our priorities, what would you change?"

Q5 – This asked "If you have any further comments or suggestions please share in the box below"

12 respondents wrote a comment in one or both of these comment boxes. Most comments focused on different topics and there were only a few topics that were mentioned by multiple respondents. Several comments were very short (e.g., only a few words/one sentence) but a few respondents wrote long comments covering several topics.

The following are topics that were mentioned by 2 or more respondents:

- Need more transparency and scrutiny of spending/the budget – 3
- Not enough has been done on the Corporate Plan priorities so far – 2
- Concerns about corruption in the council – 2
- Need to make "difficult decisions" and try new things going forward – 2
- Concerns over safety in Slough, including streetlights being dimmed – 2
- Need more social housing and to reevaluate how it's used - 2

Appendix 11 - Cumulative Equality Impact Assessment (EIA)

1. Introduction

The Budget proposed for 2025/26 includes proposals which impact different equality groups in different ways, positive and negative. As set out in the MTFS and Budget 2025/26, the Council's financial position is acute and work is developing on improving financial sustainability to provide a balanced MTFS over the medium term. The council is already in receipt of Exceptional Financial Support through a Capitalisation Direction of up to £348m which needs to be repaid. In the meantime, the annual cost of servicing that debt is £6.087m.

Like all local authorities, the Council is having to cope with ongoing excessive pressures in Adult Social Care, Special Education Needs and particularly, Temporary Accommodation. Ongoing pressures within Children's Social Care have been contained within Slough Children First.

Identifying cost savings through efficiencies is one way to mitigate impacts, but it has not been possible identify the level of savings needed through efficiency when the budget gap is this great. This means that some proposals impact staff and residents. It is not possible to avoid impacts, but it is necessary to seek to make fair decisions that can be justified on balance, and to mitigate where there may be disproportionate impacts on one group arising from a series of decisions. In Slough the impact of budget proposals needs to be considered against the impact of not becoming financial sustainable in the medium term, including the impact of servicing the level of current debt.

2. What is a cumulative assessment and why it is necessary

Guidance from the Equality and Human Rights Commission advises that the public sector should see individual decisions within the wider context of decisions made, so that people who share protected characteristics are not unduly affected by the cumulative effects of different decisions. This means that alongside ensuring that EIAs are carried out for individual decisions that have a material impact on staff or residents, the Council should also undertake a cumulative impact assessment when there are a range of savings or changes being proposed at the same time. The cumulative impact assessment helps us to understand:

- The compounding impacts on a specific equality or vulnerable group that arise from changes across a set of services.
- The knock-on impact on other services arising from a change to a Council Service

A cumulative impact assessment helps to inform final decisions and identify cross cutting mitigations needed which may need to be made at a corporate level – through corporate planning, communications or transformation, for example.

3. Identifying cumulative equality impacts

During the budget setting process equality impacts were identified for the different components of the budget where changes were proposed:

Type of change	Summary of change	Summary of impacts	Further comments
Growth proposals	£29.072 of growth proposed to meet pressures identified	Growth proposals are primarily aiming to rebase budget in line with demand and cost pressures. This growth is therefore intended **to mitigate worsening impacts from increased demand on residents in temporary accommodation, disabled children and people in receipt of adult social care support (older people and disabled people)**	A line by line review of impacts, identified by a multi-disciplinary team of officers supporting the Design Authority which has been established to oversee change in the Council See Annex 1
Savings Proposals	£9.499 of savings proposed	The majority of savings are efficiencies. Where savings may have an impact, groups identified are **low-income groups, including those in debt to the Council**	As above See Annex 1
Fees and charges annual review	In March 2022 Cabinet approved a framework for fees and charges. This confirmed that full cost recovery should be the	Adult social care fees and charges - consultation will help identify specific impacts. Groups most likely to be affected are – **disabled people who are in need of social care support.**	Fees and charges review – an equality impact assessment for any proposal identified as having a disproportionate impact A review of fees and charges for adult social care is being presented in a

	default option. When deciding concessions, the Council should take a strategic approach and the decision should clearly contribute to the Council's corporate objectives. Fees and charges should be set on an annual basis prior to the commencement of the financial year.	**Older adults** are likely to be most affected as they form the largest group of people who need social care support in Slough. Specific numbers affected: Fees for appointeeship: 30 people on average at any one time. Full cost recovery for those who are self-funded: Approx: 80 who are currently self-funding Removal of minimum income guarantee buffer from 25% to 0% will affect everyone charged- 508 people currently (some of the 602 not charged currently) Increase deferred payment arrangement fee: Will affect a small group (below 20) This will only impact adult social care users who have been assessed as being able to pay and brings Slough's policy in line with that of other Councils. The increase of fees for loans from other libraries could have an impact on low income groups, older people, disabled people and children who are more likely to be library users.	separate report for Cabinet and an EqIA has been submitted. See Annex 2

		The increase in citizenship fees could impact on refugees and migrants from specific ethnic groups The increase in fees for the cemetery and crematorium could affect faith groups more The increase in fees for sports pitches and community centres could impact low income groups or certain communities/ faith groups more	
Council tax increase	Council Tax increase of 4.99% council tax increase (council tax increase 2.99% and adult social care increase of 2.00%).	The increase in Council Tax will impact all groups but the increase will be a greater proportion of household budgets for low-income groups, as Council Tax is recognised to be a "regressive tax."	See 2020 research by Institute of Fiscal Studies "Tax on a property in the highest band is three times the tax on a property in the lowest band, despite the former being worth at least eight times as much (in 1991) and typically even more today – it has become more regressive as prices have risen most in areas where they were already highest."

Council tax support – reduction of maximum discounts	Council at their meeting on 23 January 2025 approved revisions to the Council Tax Support Scheme to reduce the working age discount from 100% to 70% except those in Band 1 (non-working) discount being 80%.	**Children, disabled residents and low income groups** have been identified in detailed equality impact assessments. More detailed profile of low-income groups also included in Equality Impact Assessment.	
5% savings to establishment		**Further work will be needed** to review impacts arising from these savings to the staffing establishment, Where possible these will be achieved through efficiencies, but impacts on staff and services cannot be completely avoided.	There are a further suite of proposals under development for a 5% reduction in the cost of the staffing establishment. Any proposal to change the staffing structure or have an impact on services (or both) will include the appropriate consultation with staff or residents (or both) and an equality impact assessment.

The Adult Social Care proposals have been reviewed under a separate equality impact assessment. Decisions to amend current policy will be subject to consultation with a view to a new policy being approved in April 2025. Particularly older people and disabled people have been identified through the EqIA. The consultation will identify if there are any further impacts on specific groups that have not been identified from the data reviewed. It is also recommended that proposals relating to cemetery and crematorium fees are subject to a separate EqIA as the changes could impact specific faith groups, due to the religious restrictions or requirements that determine whether someone is buried or cremated for example. Other impacts have been identifed and it is recommended these are kept under review. These have also informed the cumulative impact assessment of the Budget for 2025/25.

4. Summary of impacts

<u>Review of equality impacts</u>

- During the budget setting process equality impacts were identified for the different components of the budget where changes were proposed.
- The **review of the growth proposals** identified that most proposals are seeking to re-base the budget in line with demand and growing pressures. This means that this growth is unlikely to make a positive impact, but it will mitigate worsening impacts from increased demand on residents in temporary accommodation, disabled children and people in receipt of adult social care support (older people and disabled people).
- The **review of savings** concluded that the majority of savings related to income generation or efficiencies. The main groups impacted would be impacted by the increase in fees and charges in adult social care- older people and disabled people and low income groups who are in debt to the Council. A number of proposals impact on motorists and impact assessments will be needed to identify if any specific equality group is impacted.
- The **increase in Council Tax** will impact all groups but the increase will be a greater proportion of household budgets for low income groups.
- The Equality Impact Assessment, of the Council Tax Support Scheme, informed by the consultation exercise, identified that low income groups were most likely to be impacted by the scheme, and specifically children and families.
- The budget includes proposals to reduce the establishment by 5%. The Equality Impact of each proposal will need to be identified, full equality impacts and consultations will be required when there is an impact on staff or residents and the cumulative impacts will need to be added to the existing cumulative impact assessment.

5. Conclusions and next steps

The following groups have been identified as impacted cumulatively by the budget proposals:

Low income groups including those who are in debt to the Council:

- Groups who are from **Black and Asian groups (**whilst nationally White groups are less likely to be on low incomes, Slough has groups who fall into the **"other White" group who are likely to be in low income groups, including a significant Polish population**).
- As a faith group, nationally **the Muslim community** is more likely to be on a low income

- **Disabled people** – Disabled children are more likely to be in low income households and disabled adults, in receipt of social care support, particularly older people will also be impacted by review of fees and charges.
- **Children and families** are a specific group because of the number of households claiming Council Tax support who have children. Within this group, are single parent families and they are most likely to be headed up by women)

A number of proposals impact on **motorists** and impact assessments will be needed to identify if any specific equality group is impacted.

The equality impacts arising from the proposals to reduce the staffing establishment are not yet fully identified and will need to be kept under review.

Next steps in response to Cumulative Equality Impact Assessment

- The council has established a Design Authority to support the implementation of change. The cumulative impacts arising from these proposals will be kept under review by the Design Authority to make sure that the Council understands and can respond to equality impacts arising from individual proposals and cumulatively.
- Where proposals are still under development, business cases should fully assess equality impacts and identify the need for and carry out consultation as required. The Design Authority will keep this under review. For example the proposals identified above that affect motorists will need to be reviewed to ensure any disproportionate impact on equality groups is understood and responded to.
- Given the impacts on low income groups, including those in debt, it is recommended that the Council works across its services (Children's, Adults, Health, Housing and Customer Services) and with partners including the Slough Poverty Forum, the faith community and the voluntary and community sector to offer more co-ordinated and targeted support to maximise income and tackle poverty. This will ensure that all resources that can support residents (including Household Support Fund and the investment in the voluntary sector) are designed collaboratively and targeted proactively. To support this, a refreshed profile of groups in on low incomes and in poverty in Slough is being developed and will be used as a resource pack.

Supporting information:

Annex 1: Review of impacts of savings and growth proposals

CUMULATIVE IMPACT ASSESSMENT - GROWTH AND SAVINGS PROPOSALS				
Proposal	GROWTH 25/26	SAVING or INCOME 25/26	TYPE OF GROWTH / SAVING	Equality or type of group impacted
Adjusting Temporary Accommodation base budget to address demand	7.265		Meeting pressure	
Reviewing historic merge of budgets in creating RHE directorates	1.289		Meeting pressure	
Implementation of Waste Strategy (through EPR funding)	1.581		Additional services	Staff- new roles
Implementation of new enforcement powers from DfT for moving traffic violations		0.050	Income	**Motorists** - a consultation will be required. Will need to understand if enforcement action will have disproportionate impact on any one group.
Utilisation of s106 monies for parks & open spaces		0.100	Income	
Waste - reducing costs and tonnage through increased efficiencies		0.315	Efficiency	
Review of Property Services operating model		0.300	Efficiency	Staff- posts deleted
Review of Cemeteries and Crematoria service offer		0.200	Income	Potential impact on faith groups. Specific consultation should identify specific impacts.
Review of advertising on roundabouts, high street locations etc.		0.350	Income	

Review of Borough wide CPZ, 24 bus lanes and 20mph limit		0.200	Income	Positive benefits potentially for pedestrians and bus users. Negative impacts on **motorists**. Need more detailed analysis to understand impacts fully. Postive impact on children, disabled people and older people.
Additional commercial trade waste income		0.050	Income	
Run program of commercial events in parks and town centres		0.050	Income	Positive benefits for residents from increased activity but also potential for disruption and for reduced use of park space – **could affect children and households without gardens more.**
Review of community hire halls		0.200	Service reduction	**Impact on the most affected groups will depend on what changes are introduced.**
Review of car parking arrangements		0.150	Income	**Motorists** - car park users- more detailed analysis needed
Review of HWRC arrangements		0.100	Service reduction	
Increase in demand for Home to School Transport	0.500		Meeting pressure	
Provision of Educational Psychology	0.555		Additional demand	
Increased demand for Educational Headthcare Plans (EHCPs)	0.500		Additional demand	Staffing- growth
Reduction in SCF contract fee		0.849	Efficiency	Saving delivered due to increased focus on early help, meaning positive impact on children and families as they are supported to remain within family network.
Increase in support packages transferring to Adults from Childrens	0.755		Meeting pressure	

ASC budgets rebase to reflect current levels of forecast expenditure and income	12.142		Rebasing	
ASC Population and demographic growth	0.257		Rebasing	
Continuation of Packages of Care already in place	1.620		Rebasing	
Improvement through redesign and/or promotion of MHLD initiatives		0.018	Efficiency	
Review of hospital discharge and HomeFirst service		0.014	Efficiency	
Ensuring timely financial assessments incl fairer charging		2.387	Income	**older people 65+, disability**
Focussed recovery of ASC debt		0.192	Income	
Review and realign back-office customer services		0.030	Efficiency	
Deletion of post in Democratic and Electoral Services		0.031	Efficiency	
Recharge to fully utilise Domestic Abuse grant	0.054		Additional services	
Review 'Selective Property Licensing Designations' scheme		0.020	Income	
Local business opportunities sponsorship		0.010	Income	
Uplift in Agresso contract	0.102		Rebasing	

Enabling Digital Tools for better resident access	0.081		Efficiency	
Migration of Social Care Application - invest to save	0.101		Efficiency	
Creation of Support Structure for Social Care application systems	0.156		Efficiency	
Refresh of Corporate IT Equipment approaching end of life	0.390		Efficiency	
Building data capacity and capability	0.245		Efficiency	
Proposed changes to profile of resources in ICTD		0.065	Efficiency	
Reduction in SFM Finance roles		0.050	Efficiency	SBC Staff
Increase efficiency of collecting Housing Benefits Overpayments (HBOP)		0.300	Income	SBC Staff
Improve efficiency and timeliness of reimbursement for Housing Benefits subsidy by reviewing process		0.300	Income	SBC Staff
Council Tax Collection improvements		0.200	Income	Could impact low income groups in debt
Reduction of consultancy for Commercial Team		0.050	Efficiency	
Reduction in Audit fee		0.133	Service reduction	
Resource impact of change to claims processing system		0.253	Service reduction	

Review of Commercial Team		0.075	Efficiency	
Review of Corporate Finance functions		0.100	Efficiency	SBC Staff
Moving telecommunication budgets to a central allocation		0.170	Efficiency	
Automating invoice payments		0.030	Efficiency	
Utilising Azure Virtual Desktop		0.078	Efficiency	
Website content updater	0.078		Additional services	

Annex 2

A review of all fees and charges was undertaken to identify equality impacts. This table identifies potential impacts and recommendations made:

Directorate	Service	Fee Description 1	Fee Description 2	Equality impact	Recommendation
Adults	Social Care	Deferred Payment Arrangement	Other LA (set up)	Older people, disabled people	EqiA needed and completed
Adults	Social Care	Deferred Payment Interest	Other LA	Older people, disabled people	EqiA needed and completed
Children's	Libraries		Per Book From interlibrary loan scheme (SELMS) (Adult and Childrens Books)	Could have an impact on low income groups, older people, disabled people and children who are more likely to be library users	Keep under review
Law and Governance	Citizenship Ceremony	Individual - midweek		Refugees and migrants - ethnic groups	Keep under review

RHE	Burials and Cremations	Direct Cremation No Chapel	Slough Residents & Non-residents	Could affect faith groups more	Recommended to understand impacts on different groups depending on specific religious requirements e.g. for burial or cremation
RHE	Community centre hire		Various	Could affect low income groups or certain communities/ faith groups more	Keep under review
RHE	Sports Pitches		Various	Could affect low income groups or certain communities/ faith groups more	Keep under review