

Slough Borough Council

REPORT TO:	Cabinet
DATE:	18 December 2023
SUBJECT:	General Fund Revenue Budget 2024-25, and Medium Term Financial Strategy 24/25 to 27/28
PORTFOLIO:	Councillor Smith – Leader of the Council Councillor Chahal – Lead Member for Finance, Council Assets, Procurement and Revenue and Benefits
CHIEF OFFICER:	Adele Taylor – Executive Director, Finance & Commercial (Section 151 Officer)
CONTACT OFFICER	Neil Haddock – Interim Strategic Finance Manager, Financial Planning & Reporting
WARD(S):	All
KEY DECISION:	YES
EXEMPT:	NO
DECISION SUBJECT TO CALL IN:	YES
APPENDICES:	A Draft Savings Proposals for 2024/25 B Draft Pressures Proposals for 2024/25 C Council Tax Base calculation D Equality Impact Statement

1 Summary and Recommendations

1.1 This report sets out the draft revenue budget proposals for 2024/25, the draft Medium Term Finance Strategy for 2024/25 to 2027/28 and the Council Tax base for 2024/25.

Recommendations:

Cabinet is recommended to:

1. Agree the draft budget proposals for 2024/25 as the basis for consultation with the Corporate Improvement Scrutiny Committee and other interested parties.
2. Agrees the draft Medium Term Financial Strategy for 2024/25 to 2027/28 as the basis for consultation with the Corporate Improvement Scrutiny Committee and other interested parties
3. Agrees that the Council Tax Base be set at 44,358.44 (Band D equivalents) for 2024/25 as outlined in Appendix C

Commissioner Review

To ensure conformity with the best value duty and to secure continuous improvement in the way in which its functions are exercised, the council is required to prepare a plan to achieve financial sustainability and to close the long-term budget gap identified across the period of its medium-term financial strategy.

An overarching medium-term financial strategy is not only good practice but is required to provide the strategic financial framework for the council. It is particularly important during a period when the council is facing significant changes and challenges and is central to the delivery of priority outcomes outlined in the corporate plan, in an affordable and sustainable way over the medium-term period.

Whilst recognising that there remains a budget gap and further reviews need to be completed to finalise the budget for Cabinet and Full Council consideration, the commissioners welcome the commencement of the engagement on the work in progress in the development of the medium-term financial strategy and a range of proposals for contemplation.

Taking the difficult decisions in closing the long-term budget gap needs to be considered in the context of growing demand, tightening funding and an increasingly complex and unpredictable financial environment. In addition to the above for the council more specifically, the risks factors intrinsic to the council's prior years accounts accumulating on a constantly evolving balance sheet, which reflects the changing operations and external conditions and could still have the potential to require material adjustment within the current or future financial years.

Different scenarios should be modelled to stress test the key assumptions, including the future risk of a squeeze on public finances and the relationship with regard the risks faced by the council and the level of balances and reserves needed to cover such risks.

The council should aim to minimise the need for government exceptional financial support and take steps towards building better financial resilience. Meaning the council must remain viable, stable and effective in the medium to long term, take the right steps towards financial sustainability and build resilience to shocks, to make sure that service delivery, especially for the most vulnerable citizens is not disrupted.

Options

Option 1 – seek formal approval of the draft budget to allow for public consultation, including with the business community and formal scrutiny of the proposals by the Corporate Improvement Scrutiny Committee. This represents best practice and **is recommended**.

Option 2 – approve the Council Tax base independently of the draft revenue budget and consider the revenue budget following consultation with the business community by the end of February. **This is not recommended** as it does not allow Cabinet to formally consider and approve the draft budget and limits the opportunity for the public and scrutiny members to consider the proposals and make recommendations.

Report – Introduction

- 2.1 Under the Council's constitution, by the end of February, but before Full Council, Cabinet is required to report on the impact of the provisional Local Government Finance settlement and consult with the business community on the Council's budget proposals for the following year. The Council's Corporate Improvement Scrutiny Committee, will receive the draft budget for the purpose of scrutinising the proposals and can consider the adequacy of any planned consultation. We need to consider responses before proposing the Budget to Full Council. In order to allow this to happen the draft proposals need to be approved to allow for consultation to take place. This report summarises the current position on the Council's revenue budget preparations for 2024/25 as a basis for that consultation.
- 2.2 Between the draft budget being published and before cabinet consider a final budget, we will utilise our Citizenspace online tools to consult on the budget and encourage individuals, groups and other interested individuals to be able to comment on the overall budget and proposed changes. Where individual service changes require specific statutory engagement, the time for this to take place has been built into overall timings of savings delivery.
- 2.3 It is also a requirement under the Constitution for Cabinet to approve, or delegate the approval of, its Council Taxbase estimates for the following year by 15th January. This report contains estimates of the Council Taxbase for Cabinet approval.

Options

Option 1 – seek formal approval of the draft budget to allow for public consultation, including with the business community and formal scrutiny of the proposals by the Corporate Improvement Scrutiny Committee. This represents best practice and **is recommended**.

Option 2 – approve the Council Tax base independently of the draft revenue budget and consider the revenue budget following consultation with the business community by the end of February. **This is not recommended** as it does not allow Cabinet to formally consider and approve the draft budget and limits the opportunity for the public and scrutiny members to consider the proposals and make recommendations.

- 2.4 Preparations for next year's budget have been undertaken against a backdrop of continued uncertainty about funding levels, and in particular the achievement and application of capital receipts in both the current financial year, and previous financial years. The information in this report has however been compiled using the best available information and evidence we have available at the time of drafting.
- 2.5 This report has been published in advance of the Provisional Local Government Financial Settlement, which is expected to be announced in week commencing 18th December 2023. Assumptions have therefore had to be made on the level of Government funding, but these are based on prior years commitments given in the Local Government settlement as well as information from the recent Autumn Statement on 22nd November 2023. If there are any changes when the detailed Local Government Financial Settlement is announced, these will be amended in the final budget proposals to cabinet in February 2024.
- 2.6 All comments received on these budget proposals will be submitted to Cabinet on 26th February 2024 alongside any impact from the announcement of the Finance Settlement, and the outcome of current work on the achievement and application of capital receipts. This will allow Cabinet to determine its final budget package and recommend an appropriate Council Tax level to Council, which is due to approve the 2024/25 budget and Council Tax on March 7th 2024.

3 MEDIUM TERM FINANCIAL STRATEGY 2024/25 - 2027/28

- 3.1 Initial preparations for the 2024/25 budget have focussed on the Medium Term Financial Strategy (MTFS) for 2024/25 to 2027/28. This brings together the existing budget and known or anticipated changes over the coming 4 years. The initial figures in the MTFS were based on the Capitalisation Direction (CD) model, with known changes being made to those numbers. Exceptional approval has been granted by the DLUHC Secretary of State to treat revenue expenditure as capital in order for Slough to balance its budget.
- 3.2 Setting a Medium Term Financial Strategy is a key part of the Council learning to live within its means. Setting a budget and medium term financial plan must underpin and provide the resources by which the Council delivers its Corporate Plan. A refreshed Corporate plan has been agreed during the financial year 2023/24 and identifies the following 3 priorities:
- A borough for Children and Young People to Thrive
 - A town where residents can live healthier, safer and more independent lives

- A cleaner, healthier and more prosperous Slough

3.3 The resources that are allocated in these budget proposals look to ensure that we are able to deliver against these priorities. At the same time, the Council is aware that it needs to live within its means, deliver Best Value services and ensure that it is able to become financially sustainable and reduce the need for exceptional support that has been granted through the CD model.

3.4 The CD model contained best estimates at that time for Slough’s budget requirements over the years to come, and the value of the exceptional capitalisation of revenue expenditure required, which Slough is required to reduce over time. Those figures were shared with DLUHC and published as follows:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000
CD Requirement	31,575	23,078	16,917	12,159	6,268	0
Year on Year Change		(8,497)	(6,161)	(4,758)	(5,891)	(6,268)

Any variation from the CD requirement shown in this table requires DLUHC approval and Commissioner support. On this basis, any changes within the MTFS from the figures in the CD model must be balanced by the savings requirement.

3.5 The most significant changes are as follows:

- Growth Requirements in 2024/25 are £18.7m. This includes £10.5m of growth that will right-size existing budgets, particularly in people focussed budgets. Growth proposals have also been made for the subsequent 2 financial years, and have been incorporated into the MTFS. Further growth has been built in to subsequent financial years at £2.5m per annum on top of the proposals for those years along with estimates for contractual inflation and pay inflation. This compares to the CD Model which allowed for £10m growth per year plus pay inflation. It will be important to continue to refresh these assumptions on at least an annual basis as part of future budget setting.
- Minimum Revenue Provision (MRP) was expected to be showing a reduction in 2024/25 of £2.8m but instead, due to the issues regarding application of capital receipts, is expected to increase by £2.393m, with a significant fall (£4.046m) expected in 2025/26 when more asset sales are expected. This is based on the best information that we have at this time but does rely on achieving asset sales in the timeline assumed. This will have to be closely monitored, managed and reported on through our budget management reporting, and the impact of any variations be clearly identified at as early as stage as possible.
- Net interest costs show an increase of £2.7m in 2024/25. This is a combination of the costs of interest on loans from the Public Works Loan Board (PWLB), and market loans, net of interest earned on investments and from loans to Council owned companies. Although some £75m of existing loans with the PWLB need to be refinanced at substantially higher interest

rates than the maturing loan, market loans are coming to an end. The net impact is that costs of loans is increasing, by about £1.2m. Additionally, interest earned on investments, including to Council owned companies, reduces by £1.5m in 2024/25.

- Greater than expected receipts from Business Rates in 2024/25 and a higher Council Tax Base than originally assumed have led to an increase in the expected contribution from the Collection Fund of £10.3m in 2024/25 compared to £4.5m in the CD model, with further increases (although at a lower scale) in subsequent years.
- The Local Government finance settlement was implicitly assumed to show no change in future years. However, the latest expectation is that Government Grants will increase by £2.2m, partly driven by the September CPI inflation figure, and additionally taking account of increases in Social Care grants that were not factored into the original CD model. We do however recognise that there is far less certainty on funding for years 2025/26 onwards given this extends beyond the life of the current spending review period and have reduced expectations around funding, and specifically some social care funding, to reflect this uncertainty.
- As a result of the changes outlined above, and others to a lesser extent, the original savings requirement of £12.9m per year has increased to £13.6m.
- Current savings proposals amount to £10.837m, which is below the level required to balance the budget to the approved CD amount without using one-off sources. A draw down from the Budget Smoothing Reserve, and other relevant reserves, of £3.523m is therefore required at this stage in order to help balance the budget for 2024/25. This is an increase on the net £3m drawdown that is included in the 2023/24 budget and will continue to be reduced over the life of the MTFs once the results of transformation investment materialise and are calculated in future years – for example, in 2025/26 the expected draw down is only £51,000. This is a significant draw down of one-off funding and is not sustainable in the long-term. This is also on top of receiving exceptional support through the Capitalisation Direction. The Council still has significant work to do therefore to demonstrate it can be fully financially sustainable.
- As this is a one-off measure to balance the budget it means there is an underlying gap to carry forward into 2025/26, and applies in balancing the budget in 2026/27 which sees a pressure carrying forward into 2027/28. There are a number of projects underway where further savings are anticipated to be delivered on top of those included in the budget, but the exact amount of savings are not yet able to be calculated to a sufficient level of accuracy. These will be refined and the drawdown from reserves reduced to nil which will help close the gap on Year 4 over time.

3.6 Taking account of these changes and caveats, the MTFs is as shown in the following table. In this table the numbers represent the changes to budgeted figures year on year, not what the new budget figures are. The projected budget

figures for each directorate over the coming years, based on the changes shown in the MTFS table, are shown in Table 2.

Table 1 – MTFS 2024-25 to 2027-28

MTFS Planning		2024-25	2025-26	2026-27	2027-28	Notes and assumptions
Underlying Gap	Underlying budget gap rolling forward	31,575	23,078	16,917	12,159	Approved Capitalisation Direction
	Total C/F 2024-25	31,575	23,078.000	16,917	12,159	
PRESSURES						
Prior Year Gap b/f			1,523	(3,473)	2,264	Savings gap from previous year carried forward
Pay Award	6% in 23/24, 4% in 24/25, then 2% pa	2,660	1,383	1,411	1,439	23-24 pay award assumed 6% - 24/25 4% then 2%
Contract Inflation	CPI & RPIX - keep under review	1,812	1,496	1,428	1,466	CPI mainly, some contracts RPI, insurance assumed at 5%
Growth	Growth and Pressure submissions	14,254	3,781	4,203	4,203	Current pressures, estimated new pressures, make senior restructure permanent ; delete transformation budget and add £2.5m unspecified growth
	Children's Company	4,400				This year's virement is one-off but ...
	Contingency	(4,400)				... make permanent for 24/25 from contingency
	Reduction in contingency	(1,500)				In line with lower level of savings required
Loss of income	Loss of income from asset disposals	1,283	(649)	0	0	Updated with the latest sales forecasts
Companies (incl SCF)	Net surplus/losses of owned companies	(1,471)	(497)	680	796	SCF business plan - Year four Loan default
MRP	Adjustments required to correct MRP	2,393	(4,046)	(661)	523	Updated following latest sales and forecast outturn
Interest Costs		2,708	(352)			Borrowing of £75m @ 5.1%
ICT Transformation	Remove budget	(1,000)	0	0	0	Budget was time limited to 2 years
Transformation	Remove budget	(2,500)	0	0	0	Budget was time limited to 2 years
	TOTAL GROWTH/PRESSURES	18,639	2,639	3,589	10,692	
FINANCING						
RSG	As per LG Finance Settlement Dec 2022	(484)	(37)			CPI in September 2023
Council Tax	Increase by max allowed 4.99% pa	(6,800)	(5,581)	(5,943)	(6,326)	including 2% ASC precept continuing after 24/25
Business Rates	Based on revised estimates	(5,715)	(606)	1,876	(340)	updated with latest forecast
Social Care Grant	Increases based on Government figures	(1,127)	(878)	(220)	(220)	source Pixel
Market Sustainability	£1.265bn in 23/24, £1.877bn in 24/25	(610)	1,800			Grant currently ends 24/25, assumes not replaced
Discharge Grant	£0.4bn in 23/24 and £.683bn in 24/25	(380)				Assumes continues from 25/26; Pixel
ASC Workforce Fund		340	40			Assumes phasing out over 24/25 and 25/26; Pixel
Reserves	Draw Down from / (give to) Reserves	(1,523)	3,473	(2,264)		Use of Budget Smoothing Reserve
	TOTAL FINANCING	(16,300)	(1,789)	(6,551)	(6,886)	
Savings	Savings Target	(10,837)	(7,011)	(1,796)	(9,697)	
	NET BUDGET GAP	23,078	16,917	12,159	6,268	
	Savings Offered Up @ 13/11/2023	(10,837)	(7,011)	(1,796)		
	Gap to be closed	(0)	(0)	(0)	9,697	

- 3.7 The following table shows summary budgets for the next 4 years. This shows large increases in the Corporate Budgets line. At this stage estimated pressures for contractual and pay inflation are included here pending detailed work to estimate them at directorate level.
- 3.8 The line highlighted in yellow shows the amount of one-off money that we would have to draw down to ensure that we could set a budget. Between draft and final budget setting we need to seek ways to reduce the reliance on one-off resources.
- 3.9 The importance of managing any budget that is set cannot be underestimated. In the financial year 2023/24 there is a significant overspend of over £8m that if this cannot be reduced to zero, will have to be funded from one-off sources and reduces the capacity of the organisation to manage any future financial shocks that may arise such as further economic instability, significant demographic demand

increases or changes in national policy that impact on Slough. Setting realistic budgets and managing to those are a key part of improving our financial resilience.

Table 2 Summary Budgets 2024/25 to 2027/28

	2023/24 Original Budget	2024/25 Proposed Budget	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£'000	£'000	£'000	£'000	£'000
Adults Services	27,822	35,127	37,559	38,150	38,150
Children's Services	8,616	8,375	8,375	8,375	8,375
Slough Children First	40,514	39,043	38,521	39,301	40,097
Regeneration, Housing and Environment	17,271	14,856	10,626	9,701	9,701
Public Health and Public Protection	1,953	1,953	1,753	1,703	1,703
Strategy and Transformation	11,745	11,196	10,871	11,062	11,062
Law and Governance	664	628	597	597	597
Finance & Commercial (s151)	5,308	4,824	2,624	2,624	2,624
Total Service Budgets	113,892	116,001	110,925	111,513	112,309
Corporate Budgets:					
Other Corporate Budgets	15,299	15,242	22,145	24,012	33,383
Pension Deficit	5,014	5,014	5,014	5,014	5,014
Minimum Revenue Provision	13,393	15,786	11,740	11,079	11,602
Capital Financing	6,539	8,246	7,894	7,894	7,894
Total Corporate Budgets	40,244	44,288	46,793	47,999	57,894
Total Expenditure	154,137	160,290	157,718	159,512	170,203
Funded By:					
Council Tax Income	-72,995	-79,795	-85,377	-91,319	-97,645
Business Rates - Local Share	-30,591	-36,306	-36,912	-35,036	-35,376
Revenue Support Grant	-7,302	-7,786	-7,823	-7,823	-7,823
Other Government Grants	-8,674	-9,801	-10,639	-10,859	-11,079
Budget Smoothing Reserve	-3,000	-3,523	-51	-2,315	-2,315
Capitalisation Direction	-31,575	-23,078	-16,917	-12,159	-6,268
Total Funding	-154,137	-160,289	-157,718	-159,511	-160,506
General Fund Balanced Budget	0	0	0	1	9,697

NB "Other Corporate Budgets" in 24/25 onwards contains all Pay Inflation and in later years all contractual inflation

4 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2024/25

4.1 Last year's Autumn statement made some changes to the 2021 Spending Review, which had laid out spending plans for 2022/23 to 2024/25 for government departments. The original plans were flat for Councils, except for increased funding for Adult Social Care. The changes announced included:

- Confirmation that Revenue Support Grant would increase by the September value of CPI. This was 6.7% and is worth an estimated £0.484m to Slough.
- Additional funding for Social Care of £1 billion nationally in 2023/24 and £1.7bn nationally in 2024/25. This is worth an estimated £1.127m to Slough in 2024/25.
- Money set aside for Adult Social Care funding reforms of £1.265bn (23/24) and £1.877bn (24/25) to still be awarded to Councils, but to meet existing pressures with the reforms delayed by 2 years. This is worth an estimated additional £0.620m to Slough in 2024/25. At this stage, it is considered prudent to assume that this grant will end after 2024/25, which creates a pressure in 25/26 of c £1.8m.

- It has been assumed for budget setting purposes that there will be no money accruing from the New Homes Bonus.
- Changing the referendum limits for Council Tax increases from 1.99% to 2.99% and extending the power of Councils with Social Care Responsibilities to increase the Adult Social Care precept by up to 2% per year. In 2023/24 Slough was granted the power to increase its Council Tax rate above the referendum limit in light of its financial challenges, and duly did so, raising the rate by 9.99%. The assumption included in the model for 2024/25 and throughout the life of the MTFP is the ability to raise by 2.99% plus an Adult Social Care precept of 2% per year. (A total of 4.99%)
- Confirmation that the small business rating multiplier will be frozen for FY24/25 and the standard multiplier will be increased in line with the September Consumer Price Index (CPI). These two multipliers will be decoupled following the recent Non-Domestic Rating Act 2023. As a result, different indexation factors will be applied. This will ensure the small businesses will be protected from increases in their business rates.

4.2 The Council receives external funding through a number of specific grants. Until the Provisional Local Government Finance Settlement is announced in late December the position on these will not be absolutely clear, and so the following does contain some assumptions.

- Adult Social Care Grant (initially for funding reform). This is known as the Market Sustainability and Improvement Fund. As referred to above the introduction of the Adult Social Care reforms, including the cap on individual client contributions and the “fair cost of care” arrangements was expected to be a significant funding and service issue for 2023/24. The Government has delayed implementation of the reforms until at least October 2025, but retained the funding for Local Authorities that had been set aside for those reforms.
- This grant is intended to be used to increase fees paid to providers, improve social care workforce capacity, and reduce adult social care waiting times. It is likely that most if not all measures undertaken using this grant would create a permanent financial commitment, and as such if the grant is withdrawn at the end of 2024/25 this will create a budget pressure. The grant was worth £1.207m in 2023/24 and is estimated to be worth £1.815m in 2024/25.
- A previous grant, introduced in 2019, known as the Social Care Grant, is also paid to upper tier authorities such as Slough. There is no specific ring fence on this grant. The grant was worth £7.76m and is estimated to be worth £8.887m in 2024/25.
- The Better Care Fund (BCF) is a pooled budget which consists of several schemes, some of which are managed by the Council and some by the Integrated Care Board (ICB). The NHS contribution to adult social care through the BCF is expected to increase by 5.67% in 2024/25. The BCF is spent on schemes agreed between the Council and the ICB. The Improved Better Care Fund (iBCF) is expected to stay at its 2023/24 level, or £3.989m for Slough.

- The final source of funding in respect of Adult Social Care is the Discharge Fund. The purpose of this grant is to support Councils to build additional adult social care and community based reablement capacity to reduce hospital discharge delays. The grant was £600m nationally in 2023/24 and is an expected £1bn in 2024/25. This equates to £0.559m in 2023/24 for Slough and an anticipated £0.932m in 2024/25.
- There is a ring-fence on Public Health expenditure. The grant for 2023/24 is £8.106m. Indicative allocations for 2024/25 were announced at the same time as 2023/24 allocations were confirmed, and Slough's indicative grant is £8.214m.
- The Services Grant is provided to all tiers of local government in recognition of the vital services delivered by Councils. As such there is no ring-fence or condition applied to this grant. Slough's share is £1.225m and is expected to remain unchanged in 2024/25.

Council Tax

- 4.3 Council Tax at present levels is expected to generate total income of £72.863m in 2024/25, before any change to the Tax Base is factored in, and before any increase to rates is applied. The Council Tax base is expected to broadly increase by around 2% per annum, however there is bigger jump in 2024/25 at 2.78%. The Council Tax Base for 2024/25 has been estimated at 44,358 Band D equivalents which at current levels would generate total income of £74.888m in 2024/25.
- 4.4 This represents an increase of 1030.2 arising from the occupation of new properties during 2023/24. The surplus/deficit on the Council Tax element of the Collection Fund in 2023/24 will need to be assessed by 15 January 2024.
- 4.5 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or more than a threshold percentage which is normally included in the Local Government Financial Settlement. This is currently 2.99% plus an option for Councils with responsibility for adult social care, such as Slough, to increase the Adult Social Care precept with a 2% increase on Council Tax. In 2023/24 Slough was granted the power to increase its Council Tax rate above the referendum limit in light of its financial challenges, and duly did so, raising the rate by 9.99%. Each 1% increase in the Council Tax is estimated to provide an additional £0.75m of funding.
- 4.6 The Cabinet at its meeting on 26th February will recommend to Council the level of Council Tax considering the Local Government Finance Settlement, the results of the consultation and the final budget proposals.

5 BUDGET PROPOSALS

- 5.1 In preparing draft budget proposals for 2024/25 and changes to the MTFS in later years each directorate has considered potential pressures on its services which are laid out in Appendix B. The proposals are summarised in the tables below.

- 5.2 All proposals have been scrutinised by senior officers and Cabinet members in a series of Star Chamber budget challenge meetings.

Table 3 Summary of Pressures

Pressures BY TYPE	23/24		New	Service	TOTAL	TOTAL	TOTAL
Directorate	Budget	Rebasing	Statutory	Pressure	24/25	25/26	26/27
Adults Services	27.822	8.126	-	1.504	9.630	1.461	1.512
Children's Services	49.13	0.357	-	-	0.357	-	-
Regeneration, Housing & Environ	17.271	1.400	-	-	1.400	-	-
Public Health & Public Protection	1.952	-	-	-	-	-	-
Strategy and Transformation	11.745	-	-	1.734	1.734	(0.180)	0.191
Law and Governance	0.664	-	-	-	-	-	-
Finance & Commercial	5.308	-	0.378	0.155	0.533	-	-
plus Cross-Council					0.600		
TOTAL	113.892	9.883	0.378	3.393	14.254	1.281	1.703

- 5.3 Total pressures amount to £14.254m. Of this figure, £9.883m is in respect of re-basing the current budget which is showing a significant in year overspend. The Statutory pressure referred to is an increase in External Audit Fees which is set centrally and over which the Council has no control.
- 5.4 The pressures in Adult Social Care directly support strategic priority 2 (“A town where residents can live healthier, safer and more independent lives”) as laid out in the Council’s Corporate Plan “A Fresh Start for Slough”. The pressures in Finance and in Strategy are all considered unavoidable.
- 5.5 The pressures outlined in the table above are based on discrete, identified pressures. They exclude contract and pay inflation; however, contract inflation is built into the Directorate budget totals shown in table 2 above, para 3.5.
- 5.6 Directorates also considered what savings could be achieved, and these are summarised below. The figures in the tables are net savings figures after any investments required to deliver them.

Table 4 Summary of Savings

Savings BY TYPE	23/24			Service	TOTAL	TOTAL	TOTAL
Directorate	Budget	Efficiency	Income	Reduction	24/25	25/26	26/27
Adults Services	27.822	0.923	1.457	0.350	2.730	0.829	0.921
Children's Services	49.13	0.505	0.037	-	0.542	-	-
Regeneration, Housing & Environ	17.271	2.650	0.725	0.686	4.061	3.660	0.825
Public Health & Public Protection	1.952	0.124	-	-	0.124	(0.054)	-
Strategy and Transformation	11.745	1.201	-	-	1.201	0.145	-
Law and Governance	0.664	0.039	-	-	0.039	0.231	0.050
Finance & Commercial	5.308	1.090	0.050	-	1.140	2.200	-
plus Cross-Council		0.750	0.250	-	1.000	-	-
TOTAL	113.892	7.282	2.519	1.036	10.837	7.011	1.796

- 5.7 Total savings offered up amount to £11.837m with subsequent impacts in 2025/26 of £7.011m and in 2026/27 of £1.796m. Roughly 60% of the savings (£7.282m) come from efficiency measures, with £3.519m of savings coming from income raising measures. Only £1.036m constitute reductions in service.
- 5.8 In considering the deliverability of each saving, a risk rating, Red, Amber, Green, was applied. The summary is outlined in the table below. The table shows that of the proposals £5.1m are considered to have low risk of non-deliverability, and savings of £4.5m are considered to have medium risk of non-deliverability. This leaves £1.3m of savings that are considered to have a higher risk of non-deliverability. This risk is mitigated by holding a sum in contingency for non-delivery of savings, which has been set at £1.5m per year.

Table 5 Risk Rating of Savings Proposals

Savings BY DELIVERABILITY				
Deliverability	Green - Low	Amber - Medium	Red - High	TOTAL
Directorate				
Adults Services	1.108	1.322	0.300	2.730
Children's Services	0.542	-	-	0.542
Regeneration, Housing & Environment	2.029	2.032	-	4.061
Public Health & Public Protection	-	0.124	-	0.124
Strategy and Transformation	1.174	0.027	-	1.201
Law and Governance	0.039	-	-	0.039
Finance & Commercial	0.170	0.970	-	1.140
Cross-Council	-	-	1.000	1.000
TOTAL	5.062	4.475	1.300	10.837

- 5.9 Setting the budget and agreeing the level of Council Tax are major policy decisions for the Council. It is also the case that some individual budget savings proposals are also major Policy decisions. A full list of proposals is laid out in Appendix A.

Council – wide issues

- 5.10 Aside from the specific directorate proposals laid out in Appendices A and B there are some Council wide issues that impact on all budgets which need to be considered as part of the budget setting process.

Provision for inflation and pay awards

- 5.11 The MTFS incorporates assumptions on inflation for both expenditure and income. In the building of the 2023/24 budget no allowance was made for inflation in directorate budgets, and it was held in a Corporate Contingency budget. At its meeting of September 18th Cabinet received the Budget Management report for Quarter 1 where it was indicated that the approach would be different in 2024/25. Inflation has been based on anticipated contractual commitments where these apply, or where refusing fee uplifts could lead to yet higher prices due to provider withdrawal, a particular issue in Social Care. Most contractual commitments build in inflation at either CPI or RPI and the Government's central forecast for 2024 for

these inflationary indices has been used as appropriate. (2.9% and 3.9% respectively). The one exception has been insurance, where 5% is estimated.

- 5.12 The pay award has been assumed to be 4% in 2024/25 and 2% in later years. This year's pay award of £1,925 on grades up to NJ43, and 3.88% for grades above that, is slightly more favourable than the assumption of 6% that had been used.

Fees and Charges

- 5.13 Increases in fees and charges are determined by overall economic factors, which impact on the ability or willingness of customers to pay higher charges. The following criteria apply:
- they should aim, as a minimum, to cover the costs of delivering the service;
 - where a service operates in free market conditions, fees and charges should not distort the market, and should be set at the market rate
- 5.14 Certain fees are determined by statute. A small number of the budget proposals are based on changing fees and charges, and improving the collection of monies due to the Council.
- 5.15 Where fees and charges are not determined by statute, and are not the subject of a specific proposal in this Budget, the default has been to apply the Consumer Price Index (CPI) inflation rate in September 2023 of 6.7%.
- 5.16 The budgetary impact of fees and charges proposals is built into the figures outlined in this report. The full schedule of fees and charges is not included, but will be included in reports to The Licensing Committee and the Corporate Improvement Scrutiny Committee, in January 2024.

Contingency

- 5.17 The approach to Contingency is proposed to change from last year's approach, which includes, as mentioned above, including inflationary pressures (and other anticipated pressures) in a central Contingency budget. The approach this year has been to identify and build into Directorate budgets those anticipated pressures. Nevertheless, it is prudent to allow for a central contingency, not least because the savings proposals are so challenging. The contingency budget is proposed to be £3.5m, plus holding the budget for pay awards pending their virement once known.
- 5.18 The Contingency budget in 2023/24 will be £5.0m after distributing the pay award monies held there. The reduction of £1.5m is considered justified for two main reasons. Firstly, there is a general reserve of £20m and a budget smoothing reserve of £32m. Secondly, some £3m of the contingency in 2023/24 is for non-delivery of savings. The savings target in 2024/25 is half the savings target of 2023/24 and the approach to identifying and agreeing savings for 2024/25 has seen a greater number of internal challenge sessions, ensuring ownership of savings at officer and member level, and therefore they are more likely to be deliverable.

- 5.19 The current year's budget contained a £3m drawdown from reserves. The budget for 2024/25 contains a number of adjustments to this position, with the net result being a proposed draw down of reserves £3.523m.
- 5.20 Net interest costs show an increase of £2.7m in 2024/25. This is a combination of the costs of interest on loans from the Public Works Loan Board (PWLB), and market loans, net of interest earned on investments and from loans to Council owned companies. Although some £75m of existing loans with the PWLB need to be refinanced at substantially higher interest rates than the maturing loan, market loans are coming to an end. The net impact on borrowing costs of these changes is a pressure of £1.2m.
- 5.21 Interest earned on investment is expected to be £2.7m in 2024/25, down from this year's budget of £4.2m, a pressure of £1.5m. The impact therefore on net interest costs is a pressure of £1.7m.
- 5.22 The finance team has completely reviewed the Minimum Revenue Provision (MRP) and increased it by £3.1m from the 2023/24 budget to reflect the latest estimates based on capital receipts and sales, including amending the treatment of prior year sales. The MRP has therefore changed from £8.6m in the original CD model to £15.8m. This year's (2023/24) budgeted MRP is £13.4m.

6 RESERVES

- 6.1 The table below shows a summary of the reserves held by the Council. As there are several years of unaudited accounts prior to 2022/23 the figures are subject to change. The table shows, subject to the caveat above, that there are £49.8m of reserves, of which the largest item is the Budget Smoothing Reserve which is £35.0m. In addition to the below, there are £20m of general reserves, the minimum the Council needs to set aside.
- 6.2 It should be noted that reserves can only be used once, so any use of these reserves to balance budgets in-year or through the budget setting process reduces the Council's ability to withstand financial shocks and therefore need to be carefully considered.

Table 13 Summary of Reserves

Earmarked Reserves	Balance as at 2023-24 18th December 2023
MTFS Reserve	12,403
Better Care Fund	5,207,821
Public Health Reserve	1,945,187
Public Health Contingency Funding	7,725
Proceeds of Crime POCA	171,514
Budget Smoothing Reserve	34,979,689
Redundancy / Severance Payments	7,500,000
Total	49,824,339

7 MANAGING OUR RESOURCES OVER THE MEDIUM TERM

7.1 The proposed budget has been developed and planned using the best available information and evidence. However, once the final budget has been approved at full council in March 2024, it will be important to ensure that the Council actively monitors and manages its resources. Improvements have been put in place for 2023/24 to the budget management process but further improvements in the way that the budget is actively managed are in development. These are likely to include the following additional actions:

- Member challenge on at least a quarterly basis of the delivery of savings and also growth proposals
- A line-by-line review at the end of the first quarter of the financial year of all budgets to identify further efficiencies and feed into future budget setting and in the first instance reduce reliance on one-off sources of funding
- Further improvements to our link between finance, performance and risk management in our reporting going forwards.
- Further identification of savings and efficiencies to reduce the reliance on one-off sources of funding through an annual budget challenge process and refresh of the overall Medium-term financial strategy which remains a living breathing document

8 IMPLICATIONS OF THE REPORT

8.1 Financial Implications

8.1.1 The financial implications of the draft budget are shown throughout this report. The importance of setting a legally balanced budget will eventually be a decision by full Council ahead

8.2 Legal Implications

8.2.1 Pursuant to The Local Government and Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the Council as Billing Authority is required to determine the Council Tax Base for the next financial year by 31st January 2023 and to notify other precepting authorities of the determination.

8.2.2 The Local Authority (Calculation of Council Tax Base) (England) Regulations 2012 SI.2914, require a Billing Authority to use a given formula to calculate the Council Tax Base. This is the formula set out and followed in the appendix to this report.
1.2.3. Under paragraph 4.(2) of Part 4.3 (Budget and Policy Framework Procedure

Rules) of the Constitution, by the end of January, the Cabinet must approve, or delegate the approval of, the Council Tax Base estimates.

- 8.2.3 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 a budget requirement and the setting of an overall budget to ensure proper discharge of the Council's statutory duties and to lead to a balanced budget.
- 8.2.4 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. A contingency has been set aside in the draft budget to deal with a risk that when Cabinet considers these proposals it does not agree that the savings can be met within the specific statutory framework.
- 8.2.5 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. 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 medium term financial strategy, limiting future borrowing and capital spending. The Explanatory Memorandum to this Direction confirms that in practice most decisions are expected to be 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.
- 8.2.6 The Council has submitted a capitalisation direction to DLUHC to allow it to treat as capital expenditure certain types of revenue expenditure. The Secretary of State only permits the Council to capitalise expenditure when it is incurred, minimum revenue provision must be charged and the Council must comply with the conditions set out by DLUHC. It should be noted this the capitalisation direction is not a grant. 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.

8.3 Risk Management Implications

8.3.1 With such large reductions in budgets, there is clearly a risk that budget for 2024/25 will prove difficult to deliver and over the medium term. Balancing the budget next year, and over the lifetime of the MTFS depends on:

- Constraining growth to the proposals outlined in Table 3. The level of expenditure particularly within social care and on homelessness is subject to demand pressures which can be challenging to control.
- Delivering the savings outlined in Table 4 above absorbing within existing expenditure any emerging cost pressures
- Absorbing any new shocks from new pressures, or inflationary impacts that may occur.
- the Capitalisation Direction being sufficient to cover on a permanent basis any deficits, shortfalls in savings delivery, new pressures, cost of living and economic impacts that may arise
- Wherever possible, identifying further efficiencies to reduce any reliance on one-off funding sources. The current model uses significant one-off sources of funding and the Council must continue to identify ongoing, sustainable reductions in cost or increases in income to reduce the reliance on these sources. The Council is also relying on exceptional support from Central Government through the use of a Capitalisation Direction which in turn relies on being funded through asset sales. The pipeline of asset sales must therefore be maintained to reduce the risk of causing further financial instability.
- That the annual contingency budget of £3.5m should only ever be used as a last resort and there should be an expectation that any variances that arise must be mitigated with on-going actions that

8.3.2 To mitigate these risks the Council is establishing

- Member challenge on at least a quarterly basis of the delivery of savings and growth proposals
- A line by line review at the end of the first quarter of the financial year of all budgets to identify further efficiencies and feed into future budget
- Moving forward with the Finance Improvement Plan
- Further improvements to our link between finance, performance and risk management in our reporting going forward

8.4 Environmental implications

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

8.5 Equality implications

8.5.1 A separate Equality Impact Assessment is included as Appendix D to this report.

8.6 Procurement implications

8.6.1 There are no specific procurement implications arising from this report.

8.7 Workforce implications

8.7.1 There are no specific workforce implications arising from this report.

8.8 Property implications

8.8.1 There are no specific property implications arising from this report.

APPENDIX A

2024/25 Draft Savings Schedule

Cross Council

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
<i>23/24 Proposals with 24/25 Impacts</i>			
Review of Fees and Charges	250		
Review of Strategic Commissioning	750		

Finance & Commercial

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
<i>New Proposals</i>			
Review of Finance Structure	150	50	
Review of Commercial Posts and deletion of vacant roles	20		
Improved Housing Benefit processes reducing overpayments	600	300	
Improved Housing Benefit processes reducing lost subsidy	320	300	
Increased court fees charges to reflect true costs to the council	50		
New Council Tax powers		500	
Internalise Enforcement Agent Service from 2025/26		500	
New processes to improve identification of missing Business Rates RV		500	
Reduce use of consultancy to be replaced by permanent staff		50	

Law and Governance

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
<i>New Proposals</i>			
Increase Cemeteries and Crematoria Income by more efficient use of scheduling		200	50
Review of Democratic and Electoral Services and deletion of vacant roles	39	31	

Regeneration, Housing & Environment

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
23/24 Proposals with 24/25 Impacts			
Move to fortnightly waste collections	281		
Review of public area lighting to ensure efficient usage	175		
New Proposals			
Review of Planning Services	218		
Review of Temporary Accommodation providers to ensure achieving best value		600	700
Review of Facilities Management Spend and implement efficiencies	200		
Ensure Rating Appeals are completed for vacant sites	125		
Review of office space to ensure it is efficient and fit for purpose	130		
Additional income by reviewing vacant & rented sites current charge	215		
Ensure all Insurance Charge Recovery through Service Charges	50		
Property Services New Operating Model	94	300	
Full Estate Strategy for Slough BC	0	1,400	
Energy efficiencies across all council buildings	200		
Minimising costs of holding vacant sites	91		
Explore the closure or find alternative use of The Curve		730	
Moving Traffic Violations (New Enforcement Powers)	0	200	50
Environmental Quality - Refocus on Statutory work	130		
Parks & Open Spaces - Community activity to reduce costs	100	100	
Allotments - Community partnership and pricing	50		
Waste - Reducing Costs, & Tonnage and Increased efficiencies	1,267	315	
Transfer Station and Waste Sorting Improvements	228		
Street Cleansing Improvements	71		
Chalvey Waste Amenity - operational efficiencies	50		
Review of On / Off street parking charges	220		
Review of charges for grounds maintenance to HRA properties	100		
Staged closure of Hatfield car park	51		75
Slough Town Football Club Stadium Lease	15	15	

Adults Services

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
23/24 Proposals with 24/25 Impacts			
Improved occupancy of Care Home block bed contract	34		
New Proposals			
Develop innovative technological support for residents to be more independent	300		
Develop reablement services for residents to be more independent	100		
Review fees and charges in line with national increases in social security benefits	226	244	261
Undertake a full and robust review of the Adult Social Care Fees and Charges policy	507	297	380
Review support packages transferring to Adult Services from Children's Service	214	225	236
Increased recruitment of permanent employees resulting in reduced reliance on higher cost interims	121	44	44
Remove Transformation Savings Programme consultancy support	350		
Review Direct Payment packages to ensure funded at the appropriate level	313		
Develop the Domiciliary Care market to encourage greater competition and reduce unit costs	154	19	
Public Health contribute funding towards healthy life expectancy priorities across the borough	411		

Public Health and Public Protection

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
New Proposals			
Review the Domestic Abuse Grant recharge reflects actual cost and Review Enforcement for efficiencies	124	-54	

Children's Services

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
23/24 Proposals with 24/25 Impacts			
Review of Home to School Transport - to reduce spend and ensure fit for purpose	205		
Review Education & Inclusion Staff structure	53		
New Proposals			
Capita Software Solutions – Contract savings	47		
Further savings related to Education & Inclusion staff restructure	200		
Fee Uplifts at Childrens Centres	37		

Strategy and Transformation

Description	2024/25 Saving £000	2025/26 Saving £000	2026/27 Saving £000
23/24 Proposals with 24/25 Impacts			
IT contract savings	357		
New Proposals			
Review of Internal Printing Service	36		
Proposed changes to the profile of resources in ICT&D	27	65	
New procurement of current IT contracts	701		
Removal of Senior Web Editor post in communications	40	0	
Implementation of the new Applicant Tracking System	40	80	

APPENDIX B

DRAFT PRESSURES SCHEDULE 2024/25

Description	2024/25 Pressure £000	2025/26 Pressure £000	2026/27 Pressure £000
<i>Finance & Commercial</i>			
Increase in external Audit Fees	378		
Implement out of court settlement which will reduce the amount of income achieved due to court fees	40		
Reduction in grant funding for Support to Slough Children First	115		
<i>Regeneration, Housing & Environment</i>			
Temporary Accommodation ongoing base budget pressures as the number of people requiring support has increased	1,400		
<i>Adults Services</i>			
Adult Social Care budget uplift to reflect population growth	671	683	695
Rebasing Adult Social Care budget to address structural deficit	8,126		
Support packages transferring to Adult Services from Children's Services	741	778	817
Contract extension of hostel accommodation for vulnerable adults	92		
<i>Children's Services</i>			
Revision of PFI budget to reflect contract @ 2023/4 rates	357		
<i>Strategy and Transformation</i>			
3 x data analyst posts to support council wide services	168		
Information governance and cyber security resource	128		-60
Digital Team		120	60
Increased revenue for brand new services linked to the modernisation programme (e.g. DRaaS, Backup, SIEM, Wi-Fi managed service)	628	30	-60
Equipment refresh for both back-office infrastructure (e.g., network hardware, servers, storage area networks) and end-user devices	400	-150	250
Customer Services additional temporary staff	181	-181	0
Review of the Executive Support Team	229		

APPENDIX C

CALCULATION OF COUNCIL TAX BASE – 2024/25 Summary

- 1.1 The Council is required to consider and approve the calculation of the Council Tax Base which has to be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 1.2 In accordance with the Local Government Act 2003, and in the circumstances provided for in subsequent regulations, for the financial year 2024/25 it is recommended that no new locally defined discounts are created in 2024/25 and no change is made to the local Council Tax Support Scheme. Specifically, this means that:
- The Council Tax discount granted in for properties which are nobody's sole or main residence (commonly referred to as "second homes") will remain at 0%.
 - The Council Tax discount granted in 2024/25 for properties that are empty and substantially unfurnished will remain at 0%.
 - The Council Tax discount granted in 2024/25 for properties requiring or undergoing major repair or structural alterations will remain at 0%.
 - The amount of Council Tax payable for long-term empty dwellings which have been unoccupied and substantially unfurnished for a period of at least 1 year will continue to attract a 100% premium. This is change to the current policy which is a period of at least 2 years.
 - The Council Tax Support Scheme will remain as an income based assessment, but with 7 Bands instead of 8.
 - The 7 bands will be based on weekly net income:
 - Band 1: No earnings/ earnings <£115.38 – 100%/ 75.00% discount
 - Band 2: 60% discount for households earning £115.39 - £184.61
 - Band 3: 40% discount for households earning £184.62 - £253.84
 - Band 4: 30% discount for households earning £253.85 - £323.07
 - Band 5: 20% discount for households earning £323.08 - £392.30
 - Band 6: 10% discount for households earning £392.31 - £461.53
 - Band 7: 0% discount for households earning £461.54 and above
- 1.3 In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated as the Slough Council Tax Base for 2024/25 shall be 44,358.44

Background

- 2.1 The Council is required under the Local Authorities (Calculation of Council Tax Base) Regulations 2012 to classify all dwellings in the Borough into the appropriate

category of Bands A to H, according to their valuation. It must then apply the stated percentages to calculate the “relevant amount”, i.e. the number of Band D equivalent properties for 2024/25 for each valuation band. The Band D percentages to calculate the number of Band D equivalent properties is listed below:-

Band A	66.6%
Band B	77.7%
Band C	88.8%
Band D	100%
Band E	122.2%
Band F	144.4%
Band G	166.6%
Band H	200%

- 2.2 Regulation 3 of these regulations then requires the Council to multiply the “relevant amount” by the assumed collection rate, to ascertain the Council Tax Base for the year. The collection rate makes allowance for both new properties and general losses such as additional discounts and exemptions.
- 2.3 There are currently 17 different circumstances where residents are not counted for Council Tax purposes, including certain full time students, the severely mentally impaired, patients in homes and carers. Where there is only one other adult resident in the property, apart from the person who is not counted, a 25% discount will apply. Where all the adult residents are not counted, the discount is 50%.
- 2.4 There are also 21 different reasons for granting complete exemption to taxpayers, including those occupied only by full time students or those left empty by persons living elsewhere to receive care.
- 2.5 The Local Government Act 2003 provides that billing authorities have the power to grant locally defined discounts. Examples provided by the Government where a local discount may be created include as a result of local events such as flooding or natural disasters, or because of an outbreak of the foot and mouth disease.
- 2.6 The Welfare Reform Act 2012 abolished the national Council Tax Benefit Scheme from 31 March 2013, replacing the national scheme with a localised Council Tax Reduction Scheme. The Council Tax Reduction Scheme forms part of a billing authority’s Council Tax base.
- 2.7 For 2024/25 the cost of the Council Tax Reduction Scheme has been apportioned between the minor precepting authorities based upon the amounts of Council Tax Reduction expected to be granted in 2024/25. The reductions in Band D equivalents is 6,078.2.
- 2.8 The Council Tax Base calculation for the following financial year includes the actual Council Tax Base as at 3rd October plus an allowance for expected new properties joining the list during the 16 months ahead. Information gathered from various sources indicates that the following allowance should be made for new properties

becoming occupied during the period to 31 March 2024, equating to full year band "D" equivalents:- 1030.2.

2.9 The estimated Council taxbase at 3rd October is 43,776.3. The estimated taxbase for 2024/25 is therefore 44,806.5.

2.10 A collection rate of 99.0% has been applied to the taxbase for Council tax setting purposes. This is a value judgement based on past experience of Council Tax collection together with management information on the number of properties occupied by a single person, the number of households falling into arrears and so forth. The Council taxbase for tax setting purposes is therefore 44,358.44 for 2024/25.

Appendix D

Equality Impact Assessment (Budget 2024/25) DRAFT

Overview

- 1.1 This draft EIA describes the most significant equality pressures confronting each main service area, informed by an equality analysis. It highlights the effect of policy and governance changes; an overview of positive and neutral impacts; and a service impact overview. These outcomes are based upon spending decisions taken during the last three years and changes resulting from the 2024/25 budget. The analysis also highlights a number of cumulative impacts that may arise resulting from the 2024/25 budget.
- 1.2 It is important to note that the budget is the financial expression of the strategic plan and our operational intent, and where known, the equality impact of change is disclosed. There are also a number of individual decisions that will arise over the period of the 2024/25 budget, and these will continue to be the subject of specific and more detailed equality impact assessments in line with the Council's Equality Impact Assessment (EIA) guidance. Political decisions will only be taken once effective and meaningful engagement has taken place on a need-by-need basis.
- 1.3 In making this decision we must have regard to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, i.e. have due regard to the need to: a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; b) Advance equality of opportunity between people who share a protected characteristic and those who do not; c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
- 1.4 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In addition, marital status is a relevant protected characteristic for 1.3(a)
- 1.5 The PSED is a relevant factor in making this decision but does not impose a duty to achieve the outcomes in s149. It is only one factor that needs to be considered and may be balanced against other relevant factors.
- 1.6 Part of the equalities governance is to ensure that equality impact assessments are undertaken when considering new and/or revised policies to inform and underpin good decision-making processes. This also helps us pay due regard to our equality obligations.
- 1.7 The Equality Act also says that public bodies must pay 'due regard' to equality. This means that we must:
 - move or minimise disadvantages suffered by people due to their protected characteristics;
 - take steps to meet the needs of people from protected groups where these are different from the needs of other people.

2. Identified high level cumulative equality impact

- 2.1 At this stage, it is not possible to fully measure the impact of the proposals on those people who have protected characteristics under the Equality Act 2010, or how the geographic spread of budget proposals will be felt across all areas of Slough.
- 2.2 However, our preliminary equality impact analysis of the planned activity and budget proposals for 2024/25 indicates that the council is focused on making a wide range of changes during 2024/25 to balance its budget and whilst the majority of identified savings through efficiencies are linked to internal systems and processes there are others that impact our external partners and neighbours.
- 2.3 Key impacts from this initial analysis across the portfolios are outlined from section 5 below.

3. Mitigating actions – our principles

- 3.1 **Monitoring of impact:** Services must ensure ongoing equalities monitoring of the Impact of service changes, to identify trends in disproportionate or unanticipated impact at an early stage to address them. This reporting should be monitored Council-wide at senior levels within the Council to identify cumulative impacts and mitigating actions. Consideration should be given to working with other partners in this monitoring and evaluation where appropriate.
- 3.2 **Informing decision-making:** The findings of this monitoring should be used to inform the budget-setting process year on year.
- 3.3 **Equality Impact Assessments:** As the budget proposals are developed, individual Equality impact assessments will be undertaken. This will include an assessment of who is likely to be impacted by the changes, whether they are considered to have 'protected characteristics' under the Equality Act 2010 and if they are, what mitigation activity is proposed to ensure that they will not be disproportionately affected. These will all be reviewed to provide an assessment of the cumulative impact of the budget decisions.
- 3.4 **Targeting based on need:** Resources and services should clearly identify specific needs of different groups at an early stage in order to be most effective and meet needs at first contact wherever possible e.g. through consultation.
- 3.5 **Gaps in monitoring:** Where gaps in monitoring have been identified during the equality impact assessment process, steps should be taken to fill these in the forthcoming year. This will enable better modelling of potential impacts and assessments in future.

4. Identified Positive Impacts

- 4.1 The Council is fully committed to addressing the challenges facing communities and supporting residents to live better lives. The Council is on a journey of improvement and transformation considering the challenging circumstances in which the Council finds itself. As part of this, the Council will be reviewing how the services it provides will respond to and plan for these challenges with a key focus on tackling inequalities across the Borough. The commitment to equality and inclusion is shared by partners and will be firmly rooted in the long-term vision for Slough.

4.2 The Budget for 2024/25 contributes to this in the following ways:

- By ensuring that the savings are balanced across service areas whilst recognising all service areas will need to contribute including those targeted at the most vulnerable
- By driving savings through the delivery of efficiencies and through the reform of services to improve outcomes and make them more cost effective
- By continuing to invest in services and activities that will reduce inequalities and support better lives for residents
- By being realistic about what is affordable and can be achieved within a significantly reduced resource base

5. Policy and Governance Context

- 5.1 The increase in council tax may adversely impact some residents of Slough; however, residents on the lowest incomes will remain eligible for support with their bills via the local council tax support scheme. The increase proposed from the social care precept relates to a specific social care precept that will be ring-fenced for adult social care. This should positively impact on vulnerable adults within Slough by helping to protect and improve social care services.
- 5.2 The localisation of council tax benefit (introducing new payees to council tax as a result of national policy changes) was implemented in 2013/14 alongside a scheme for hardship and investment in collection initiatives including provision of debt and welfare support. Over this time, the Council has sustained collection rates against this backdrop, ensuring no negative impact on other council taxpayers. However, during the COVID-19 pandemic we saw a reduction in collection rates. This position is now improving again and our budget proposes a continuation of the focus on collection activities for 2024/25 to maintain this trend and performance.
- 5.3 We have invested in a team within the Finance and Commercial Directorate to tackle council tax fraud across the borough. The programme:
- ensures those entitled to discounts or exemptions on their council tax are receiving the right support;
 - has introduced extensive regular reviews to ensure the levels of benefits people receive are correct;
 - encourages people to notify councils if their circumstances change, and the consequences of not doing so, to enable councils to take swift and appropriate action against people fraudulently claiming council tax benefit.
- 5.4 Prior to the COVID-19 pandemic the number of households in receipt of Council Tax Reduction (CTR) was reducing, however with the pandemic impacting household incomes, there was an increase in the number of claims received and payments made. The number of claims and households has remained steady since the pandemic due to the cost-of-living crisis. As the Council was granted the ability to apply an increase in the level of the Council Tax of up to 9.99% in 2023/24, it did so whilst also creating a more generous CTR scheme. There was a revision in the

number of CTR scheme bandings and reductions offered to residents that fall into these bandings, with more generous reductions and a new band in which no council tax was payable. This enabled the Council to help those households hardest hit. The current day pressures on local people and their household budgets are becoming greater than ever before with significant pressures on energy, fuel and high inflation affecting day-to-day living costs impacting the most vulnerable within the borough. The current CTR scheme will continue to support the most vulnerable residents in 2024/25.

6. Portfolio Impacts Overview

Overview

Equality impact assessments are being produced for all of the savings' proposals put forward as part of the draft budget process. The links to these EIAs will be updated and included in the overarching final budget EIA in February 2024.

Children Services

- 6.1 The portfolio has identified budget savings proposals of £0.5m for 2024/25. The main area of saving relates to the home to school transport offering, with a further saving coming from a restructure of the Education and Inclusion service.
- 6.2 The service will complete initial assessments of the equality impacts for all savings areas and determined that none of the proposals will have a negative impact from an equalities point of view. If there are any positive impacts identified for specific groups these will be monitored during the development of all proposals.
- 6.3 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken and will continue to be kept under review as the proposals are developed in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on children, young people and their families. A detailed EIA will be formalised for the final budget paper presented to Cabinet in February 2024.

Adults Services

- 6.4 The portfolio has identified budget savings proposals of £2.73m for 2024/25, a continuation of its Transformation Program. The priority is to operate sustainably while fully meeting legal obligations and in so doing ensure adults, carers and families have access to the information, advice and tools they need to enable them to live ordinary lives, safely and independently, for as long as possible.
- 6.5 The budget proposals will see improved value for money in continuing to meet residents' needs via an improved offer providing greater independence, improved preventative options and access to community provision.

a) Younger Adults

- i. Learning Disability – The Council aims to support individuals with learning disabilities and/or autism to ensure their needs are being met safely, whilst enabling them to achieve their outcomes and life aspirations. A refresh of the LD / Autism strategy is being undertaken to support the planning and delivery, incorporating a consultative process.

ii. Mental Health – The intention is to ensure we provide effective support for adults in the most efficient manner possible with clear pathways for stepdown and move-on to support recovery. Thus, minimising readmission and working with the wider system to better understand and manage future demand.

b) Older People

We continue to review the critical pathways that support adults going into and leaving hospital. The objective is to ensure that the adult is offered the most appropriate support for them, with an emphasis on people being enabled to return home where this is possible, with support to regain as much independence as possible. It is anticipated that this approach will enable us to both fully meet the needs of adults and continue generating efficiencies in 2024/25 and pave the way for a more sustainable operating model in future years especially in managing the anticipated increase in demand and complexities.

c) All care groups

In addition to the work set out above we will continue to work with our market (including 3rd sector partners) to develop new models for meeting need, managing the cost of care crisis and recruitment requirements to ensure there is sufficient capacity to meet the needs of the Council and its residents.

6.6 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments will be undertaken and will be refreshed in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on citizens accessing Adult Services. A detailed EIA of each proposal will be updated for the final budget paper in February.

Regeneration, Housing and Environment

6.7 The portfolio has identified budget savings proposals of £4.06m in 2024/25, the majority of which cover a wide range of service areas, both in terms of cost reduction and income generation. Individual equality impact assessments will be undertaken on all proposals.

6.8 The budget proposals identified are categorised into the main areas outlined below:

a) Waste management – a review of the waste management contract including the challenging target to reduce tonnage. All environmental services including the street cleansing contract will be reviewed to drive out efficiencies.

b) In respect of transport and highways, there are several proposals – including increasing the cost of on/off street parking and closure of underutilised car parks

c) An up-to-date estate strategy will ensure that all buildings are fit for purpose for the council need and that running costs are providing best value for money

- d) A review of all Temporary Accommodation to ensure they are providing best value for money for the council
- e) A review of all council charges and ensuring that they are reflecting the true cost to the organisation
- f) A review of departments and restructured to fulfil all statutory work
- g) working with community groups to look after our public spaces

6.9 In order to ensure that the Council pays due regard to the PSED, individual equality impact assessments have been undertaken and will be refreshed in order to ensure there are mitigating actions, where possible, to minimise any adverse impact on citizens accessing Regeneration, Housing and Environment Services. A detailed EIA will be produced for each savings and included in the final budget paper going to Cabinet in February.

Strategy and Transformation

6.10 The portfolio has identified budget savings proposals of £1.2m in 2024/25, these relate to several efficiency savings across support services. These changes are not expected to impact on the level of service provided to residents.

6.11 It is not considered that any of these savings' proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an equality impact assessment has been completed as part of the governance and decision making process for all savings and published as per the links above. A detailed EIA will be produced for each saving and be included in the final budget paper going to Cabinet in February.

Finance and Commercial

6.12 The portfolio has identified budget savings proposals of £1.14m in 2024/25, these relate to a number of efficiency savings across back-office services, corporate budgets and the Revenues and Benefits service. These changes are not expected to impact on the level of service provided to residents.

6.13 It is not considered that any of these savings' proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an equality impact assessment will be completed as part of the governance and decision making process for all savings and published as per the links above. Detailed EIAs are being completed for all the savings.

Law and Governance

6.14 The portfolio has identified budget savings proposals for £0.039m in 2024/25 this relates to the reduction of one post in democratic services. These changes are not expected to impact on the level of service provided to residents.

6.15 It is not considered that any of these savings' proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an equality impact assessment will be completed as part of the governance and decision making process for all savings and published as per the links above. A detailed EIA will be produced for the above saving and included in the final budget paper.

Cross-Council initiatives

- 6.16 The Council has identified further budget savings proposals of £1.0m in 2024/25 relating to proposals which span more than one directorate. These are as follows:
- a) Fees and charges increases. Several fees and charges were increased in 2023/24 by up to c10%, with a smaller number which were increased by more than this level. This saving was agreed last year but due to timeliness the full year budget impact was spread over a two-year budget period.
 - b) Commissioning efficiencies – a review is being procured to assess the opportunity to drive further savings from commissioning activities, whether through looking at what is being commissioned or the way in which it is commissioned and managed.
- 6.17 It is not considered that any of these savings' proposals will have an adverse impact on persons who share any relevant protected characteristic. However, an equality impact assessment was completed as part of the governance and decision making process for these savings in 2023/24. These will be reviewed to see if the EIAs need to be refreshed.

Other Operating Costs – Capital

- 6.18 The Council's financial position requires total borrowing to be reduced, therefore the strategy is to minimise the extent to which capital schemes require additional new borrowing. Last year several schemes were therefore removed from the programme in order to reduce the impact of the programme on the revenue budget. An EIA will be undertaken at a high level in respect of the schemes left in the programme and no adverse implications identified. A few of the schemes in the programme are for the positive benefit of certain protected groups, in particular schoolchildren and disabled adults and children and these schemes will continue while fully funded from the sources such as the Disabled Facilities Grant or the DfE capital grant.