

SLOUGH BOROUGH COUNCIL

REPORT TO: Council **DATE:** 23rd February 2017

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WARD(S): All

PART I **FOR DECISION**

REVENUE BUDGET 2017/18

1 Purpose of Report

To detail the overall Revenue Budget for 2017/18, and the decisions required for the Council to achieve a balanced budget for the year ahead.

The paper demonstrates the levels of Council Tax proposed at 4.71% (including the government's 3% precept for Adult Social Care), the Government grant assumptions and estimations required for the next financial year's budget.

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

To note the increase in Housing Rent Account rents and service charges (as detailed in Appendix J and set out in paragraph 2 below and approved by Council in January 2017).

To approve the increases in Fees and Charges as detailed in Appendix F.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to propose, that the budget as attached be approved, whilst noting that the Thames Valley Police Authority and the Royal Berkshire Fire Authority are still to confirm their final council tax precept requirements and:

Council Tax Resolution – In relation to the Council Tax for 2017/18

- (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 2018 is as specified below and that the Council Tax be levied accordingly.
- (b) That it be noted that at its meeting on 19 December 2016 Cabinet calculated the following Tax Base amounts for the financial year 2017/18 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:

- (i) 41,174.7 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 2017/18; and
- (ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2017/18:

a)	Parish of Britwell	840.7
b)	Parish of Colnbrook with Poyle	1,866.4
c)	Parish of Wexham	1,329.6

- (c) That the following amounts be now calculated for the year 2017/18 in accordance with sections 31A to 36 of the Act:
 - (i) £385,640,524 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) £332,938,555 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) £52,701,969 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) £1,279.96 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 2017/18 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £223,349 representing the total of Parish Precepts for that year.
 - (vi) £1,274.54 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

Band	Slough Area	Parish of Britwell	Parish of Colnbrook with Poyle	Parish of Wexham Court
	£	£	£	£
A	849.69	44.06	32.93	24.48
B	991.31	51.41	38.42	28.56
C	1,132.92	58.75	43.91	32.64
D	1,274.54	66.10	49.40	36.72
E	1,557.77	80.79	60.38	44.89
F	1,841.00	95.47	71.36	53.05
G	2,124.23	110.16	82.33	61.21
H	2,549.08	132.19	98.80	73.45

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) That it be noted that for the year 2017/18 the Thames Valley Police Authority precept has been increased by 1.99%. 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	113.52
B	132.44
C	151.36
D	170.28
E	208.12
F	245.96
G	283.80
H	340.56

- (ix) That it be noted that for the year 2017/18 the Royal Berkshire Fire Authority has been increased by 1.99% as the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Royal Berkshire Fire Authority £
A	41.66
B	48.60
C	55.55
D	62.49
E	76.37
F	90.26
G	104.15
H	124.98

These precepts have not been formally proposed or agreed by the Royal Berkshire Fire Authority and may be revised when agreed.

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

Band	Slough £	Office of the Police and Crime Com- missioner (OPCC) for Thames Valley £	Royal Berk- shire Fire Au- thority £	TOTAL £
A	849.69	113.52	41.66	1,004.87
B	991.31	132.44	48.60	1,172.35
C	1,132.92	151.36	55.55	1,339.83
D	1,274.54	170.28	62.49	1,507.31
E	1,557.77	208.12	76.37	1,842.26
F	1,841.00	245.96	90.26	2,177.22
G	2,124.23	283.80	104.15	2,512.18
H	2,549.08	340.56	124.98	3,014.62

- (xi) 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.
- (xii) 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.
- (xiii) 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.

Fees and Charges –

- (e) That the Council resolves to increase Fees and charges as outlined in Appendix F for 2017/18.

Pay Policy –

- (f) That the Pay Policy outlined in Appendix M be noted for Council approval:

Local Government Finance Settlement 2017/18 -

- (g) It must be noted that the government has delayed its debate on the Local Government Finance Settlement 2017/18 until after this report is published. Consequently, it is agreed that if there is any substantial changes in the amount of funding received by the Council at the final settlement, the Section 151 Officer will be authorised to use the Council's reserves to balance the overall budget for 2017/18.

(h) **Appendices Attached**

'A'	-	Savings proposals
'B'	-	Base budget assumptions
'C'	-	Service pressures
'D'	-	Reserves position
'E'	-	Collection Fund
'F'	-	Fees & Charges
'G'	-	Council Tax Resolution
'H'	-	Section 151 officer statement
'I'	-	Specific Grants
'J'	-	HRA Rents and Service Charges
'K'	-	Equality Impact Assessments
'L'	-	Efficiency Strategy
'M'	-	Pay Policy Statement

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

3a. Slough Joint Wellbeing Strategy Priorities

The report indirectly supports all of the strategic priorities and cross cutting themes. The maintenance of good governance within the Council to ensure that it is efficient, effective and economic in everything it does achieve through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

3b Five Year Plan Outcomes

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

4 Other Implications

(a) Financial

Detailed within the report

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	none
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	A number of posts may be affected by changes proposed. If necessary these will be managed through the council's restructure, redundancy and redeployment policy and procedure.	None
Equalities Issues	Assessed for each proposed saving and included as Appendix K.	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery	Risk of overspend and making further savings elsewhere	Decisions that could bring savings proposals forward
Project Capacity	None	None
Other	None	None

(c) Human Rights Act and Other Legal Implications

The Council has a number of statutory functions to perform. Any savings must not undermine the Council's responsibilities to provide minimum levels of provision in key areas. The set of savings proposals for 2017/18 does not recommend any savings that will affect the council's ability to carry out its statutory functions. However, Members should be mindful of the cumulative year on year effects of savings and reductions in services and continue to make assessments of the impact on statutory functions. All the savings proposals included within this report will be closely monitored throughout the financial year and reported to Cabinet via the Monthly Financial Monitoring reports.

(d) Equalities Impact Assessment

Equalities Impact Assessments have been undertaken for all savings proposals and are included as Appendix K.

(e) Workforce

Where necessary the Council has a number of measures to minimise compulsory redundancies including;

- Developing staff skills to redeploy to alternative roles.
- Obtaining staff savings from deletion of vacant posts.
- Opportunities for Voluntary Redundancies.

The Revenue Budget is built on the assumption that there will be no significant impact on staffing.

5 Supporting Information

5.1 Summary

- 5.1.1 2017/18 is set to be another difficult year financially for the Council, with a continued reduction in Government funding, as well as an increased demand for Council services. The Council has managed to, wherever possible; protect Council services whilst ensuring that there is sufficient budget for the next financial year to deliver its key outcomes.
- 5.1.2 There remain difficult years ahead for the Council due to the financial pressures that it faces, but the budget for the 2017/18 ensures that the Council's finances are based on solid footings for the future.
- 5.1.2 This paper sets out the revenue budget for 2017/18 and the associated plans and assumptions contained within it. The Capital Strategy, which accompanies this report for approval, sets out the wider financial implications of decisions made in investing in the borough's infrastructure. The Treasury Management Strategy, also on tonight's agenda, details how the Council will undertake transactions concerning investments and borrowings and relates closely to the capital strategy as well as having an impact on the revenue budget savings proposals for 2017/18.

Chart 1: Funding summary

No.	2016-17	Funding	2017-18
1	48.69	Council Tax	52.48
2	30.00	Retained Business Rates	30.30
3	18.48	Revenue Support Grant	13.18
4	1.37	Education Services Grant	0.26
5	3.64	New Homes Bonus	3.20
6	0.84	Other non-ring fenced grants	1.36
7	0.84	Collection Fund	-0.30
8	103.73	Total Budgeted income	100.48
9	106.58	Prior year baseline (adj.)	103.73
10	2.30	Base budget changes	2.70
11	5.75	Directorate Pressures	2.90
12	0.33	Revenue Impact of Capital Investment	0.33
13	-1.10	Other adjustments	3.23
14	-10.13	Savings identified	-12.41
15	103.73	Net Expenditure	100.48

5.2 Income

- 5.2.1 The Council, as highlighted in Chart 1.1 below, has the following main sources of income:

NNDR (Business Rates)

- 5.2.2 The amount of retained Business Rates is determined by the Council's best estimates of the amount it calculates it will receive in Business Rates for the year ahead and submitting these estimates to central government. The government then allows the Council to retain 49% of this income, subject to a further tariff that the Council must pay Central Government. For 2017/18 the tariff has been set at **£18.9m**. The Government sets the tariff based on the historical average of business rates collected set against the level of spend the Government believes the Council should have. If, ultimately, Business Rates receipts are greater than the estimate, the Council retains 30% of this growth. However, if Business Rates decrease, the Council is liable for 50% of the reduction from its submitted estimate.

Revenue Support Grant (RSG)

- 5.2.3 The Council also receives Revenue Support Grant (RSG) direct from central government. RSG is determined, and comes from, Central Government and consists of Government's expectation of what the Council should spend in line with the Government's deficit reduction plans.
- 5.2.3.1 The Council will receive £13.18m in RSG in 2017/18. In 2016/17 the Council received £18.48m.
- 5.2.3.2 The date for the parliamentary debate on the 2017/18 final local government finance settlement has been confirmed as Wednesday 22 February, although the final settlement is expected to be published by DCLG ahead of this debate.
- 5.2.3.3 There is a duty on Local Authorities to set a balanced budget under the Local Government Finance Act 1992. If the final settlement is delayed the Council should set a budget within the deadline by using the best available information. If there is any substantial changes in the amount of funding received by the Council at the final settlement, the Section 151 Officer will use reserves to balance the overall budget.

Council Tax

- 5.2.4 Another main source of Council income is derived from Council Tax receipts. The overall amount raised is based on the Council Taxbase (i.e. the number of properties in the borough) as per the report to Cabinet in December 2016 multiplied by the average band D Council Tax amount. For 2017/18 the Council Tax levels across the borough currently assume a 4.71% increase for the Slough Borough Council element at £1,217.21 for a band D equivalent (3% of this increase is due to the government's Adult Social Care precept and only 1.71% for the Council to fund all other services). This leads to an assumed Council Tax income of **£52.50m** for the Council in 2017/18.

The Provisional Local Government Finance Settlement announced that local authorities responsible for adult social care will be given an additional 1% flexibility on their current council tax referendum threshold to be used entirely for social care. The adult social care precept will increase from the current 2% to the new threshold of 3% in 2017/18 and 2018/19. The council has increased its Council Tax in line with the new ASC precept, at 3%.

Specific Grants

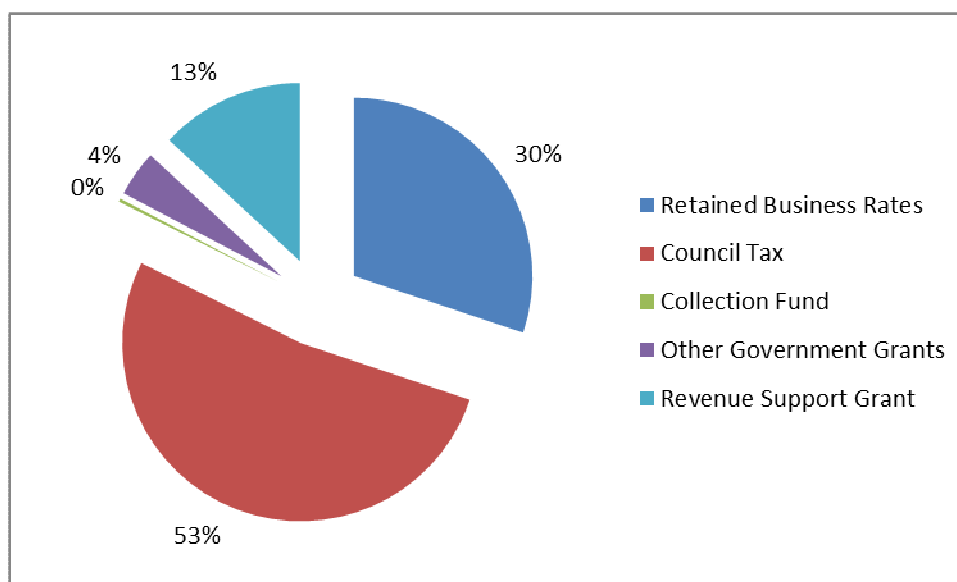
- 5.2.5 The Council also receives income from specific Government grants and these are included in appendix I. The Council budgets for an anticipated nil net cost on these specific grants; i.e. that all expenditure will be contained within the income received from Government and that the local Taxpayer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

- 5.2.6 Specific grant income streams are generally announced at per the Local Government Finance Settlement. The total amount of non-ring-fenced Government Grants anticipated for 2017/18 is **£3.98m**. Grants included are the New Homes Bonus (£3.20m), and Education Services Grant (estimated at £0.26m) and ASC (£0.52m).
- 5.2.7 Significant changes were announced to New Homes Bonus, following the publication of the consultation paper a year ago. The Government is implementing its preferred option: to reduce legacy payments from 6 years to 5 years in 2017-18 and then to 4 years in 2018-19. More unexpectedly, a “deadweight” factor will also be introduced, so that no NHB payments will be made to a local authority whose housing growth is less than 0.4%. Furthermore, from 2018-19 the Government will withhold payments from authorities not supporting housing growth (appeals, local plan).
- 5.2.8 As expected, with the Country’s particular current focus on adult social care, the government has used savings made to the New Homes Bouns scheme to contribute towards the general funding of adult social care. A new £240m adult social care support grant will be created in 2017-18, for one year only, and distributed according to relative need. Slough’s allocation for 2017/18 is £0.52m

Collection Fund

- 5.2.9 The final factor to take into account is the Collection Fund. This is a statutory account which details the actual income received in respect of Council Tax and retained business rates compared to the estimates made in January 2016 for the 2016-17 budget. At present this is anticipated to produce a deficit of **£0.3m**.
- 5.2.10 The total income available to the Council for the 2017/18 for its net budget is therefore **£100.48m**.

Chart 1.1: Council income sources



5.2.11 2017-18 Budgets for Schools, Academies and Free Schools.

- 5.2.12 The School funding formula factors for 2017/18 are the same as reported in 2016/17. The schools existing Dedicated Schools Grant (DSG) has been used to

fund an estimated number of children in the new Grove School (SASH2) which opens in September 2017.

5.2.13 The Department for Education (DFE) has made some changes to the index of deprivation affecting children (IDACI) banding and prior attainment. This has, however, had limited effect on the overall School budgets for 2017/18. All pupil led factors are being protected by the Minimum Funding Guarantee (MFG) which ensures that no school loses more than 1.5%.

5.2.14 The school forum was advised of the estimated draft budget on the 10th January 2017. This included the December allocation table listed below:

Description	Allocation £M	Comment
School block budget	£ 123.79	Fixed
Early years budget	£ 15.20	Provisional
High needs budget	£ 22.13 (this includes an increase in growth allowance of £310k and academy place funding which the DFE will recoup from Slough's High needs block.)	The Academy place budget has increased from £3.69m to £4.23m. This is a reduction in Slough's "top up" budget of £540k. The DFE has increased our funding by £310k; therefore the net deduction is £230k. Other additions to the HNB have transferred the responsibility for Post 16 to SBC, which will be pass-ported to 6 th form providers.

5.2.15 A selected group of Head Teachers, who are members of the School Block Task Group, have met to discuss and review in detail each factor of the School block budget.

5.3 Expenditure

5.3.1 The Council's base budget for 2016/17 stood at £103.73m and it is against this figure that all adjustments are completed. The adjustments included:

- (1) Base budget **£2.7m** – these are movements due to inflationary pressures, pay award (assumed at 1% for 2017/18), incremental rises and other adjustments related to previous years and virements. Appendix B has further details.
- (2) Directorate Growth **£3.2m** – these are the totals of increased pressures on the council for 2017/18. Appendix C provides details of these.
- (3) Savings of **£12.4m**. The items above combined with the reduced overall income to the Council leave a savings target that needs to be closed. Appendix A details the proposals behind the savings
- (4) Other Adjustments – This is the return of £1.1m of general reserves, used to fund the 2016/17 revenue budget and a reversal of £1.8m for one-off income amounts included within the 2016/17 budget. The budget allows for a contribution of £0.342m to the Council's reserves.

5.2.12 The savings target is driven by the increases to the base budget, i.e. the structural costs of operating an organisation the size of the Council with its current conditions, service pressures and the reduction to RSG. These overall cost rises are offset by any growth in Council Tax income and / or retained Business Rates as well as any movements from other non-ring fenced grants and the Collection Fund.

5.3.3 As can be seen from the above, the main driver for savings is the Government funding reduction to Revenue Support Grant; although additional income from Council Tax and Business Rates partially offsets this.

5.3 Strategy

5.4.1 The Council has been regularly monitoring the levels of savings required for the year ahead, and a report was presented to Cabinet in December detailing the levels of savings required and providing an early sight of the savings proposals themselves. Cabinet have approved for £8.54m of savings to be included in the 2017/18 Revenue Budget with a further £3.87m to be approved, and these are contained within appendix A to this report.

5.4.2 The rationale for outcomes based budgeting was also to drive more innovation in the delivery of Council services and to take a more strategic look over the life of the MTFS to commence schemes that will re-shape services or deliver significant income in future financial years. These will need to be approved on an annual basis per the Council revenue budget setting process, but this provides a clear trajectory for where the Council is seeking to make change in the future.

5.4.3 Following the multi-year settlement provided by government to Slough Borough Council, the Council has decided to provide similar financial certainty to the Slough Children's Services Trust (SCST) on the amount it intends providing as part of the Trusts' Core Contract, as follows:

2017/18	2018/19	2019/20
£24.411m	£24.811m	£25.211m

5.5 Reserves

5.5.1 The Council holds a variety of reserves, and these are detailed further in appendix D. It is vital for the Council to hold a minimum level of reserves to ensure that if there is an overspend in the financial year due to demand pressures or emergencies, that the Council can cover this without going out to residents immediately requesting additional Council Tax; the general reserve gives the Council more time to deal with impact of overspends on the services that are delivered.

5.5.2 As per this report, the minimum level of recommended General Fund reserve has been set at 5% of the Council's net revenue budget. The current volatility and uncertainty over government funding in terms of Revenue Support Grant, Better Care Fund, Education Services Grant and New Homes Bonus as well as welfare reform costs pressures means that it is estimated an additional £2m of balances are required to cover these contingencies. This would mean a minimum level of **£7.2m** at the proposed budget figures. The current level of general reserves as at 31.3.2016 is £8.1m.

5.6 Risk Management

- 5.6.1 Given the level of savings for 2017/18, it is vital to ensuring the long term stability of the Council that these are delivered to enable a balanced budget, but also that the savings package as a whole is considered across the Council and that the sum of the savings do not create difficulties for other parts of the Council when delivering services for its residents.
- 5.6.2 During the 2017/18 financial year, as has been the case in 2016/17, there will be monthly monitoring of the savings proposals to identify which are green, i.e. on track to be delivered, amber or red (not expected to be delivered in year). This will enable the Council to adjust its future budget position for any unmet savings as well as ensure that it can take appropriate in year steps to rectify any growing over-spends that arise.

5.7 Impact on service budgets

- 5.7.1 The table below highlights the changes to service budgets as a result of all of changes detailed in the budget and associated papers.

Table 2.1: Impact on service budgets

	2016/17 £m	Inflation £m	Other Ad- justments £m	Growth £m	Savings £m	2017/18 £m
Wellbeing	59.9	1.4	0.0	1.1	(2.4)	60.0
Customer and Community Services	17.3	0.4	0.0	0.4	(1.4)	16.7
Regeneration, Housing and Resources	23.1	0.7	1.9	0.4	(2.9)	23.2
Chief Execu- tive	3.8	0.2	0.0	0.0	(0.1)	3.9
Corporate	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Net Cost of Services	104.0	2.7	1.9	1.9	(6.8)	103.8
Below the Line	(0.3)	0.0	1.4	1.3	(5.6)	(3.2)
Budget Re- quirement	103.7	2.7	3.3	3.2	(12.4)	100.5

This table includes internal restructures as well as a result of all of the increase in costs from pressures and base budget adjustments and reduced by savings items. This table highlights how budgets are changing in their entirety rather than where savings are being made

6 Medium Term Financial Strategy (MTFS)

- 6.1 The MTFS seeks to set out the background to the Council's current financial position, and estimate its future financial position, and highlight some of the key strands to deliver a balanced position over the period of the MTFS.
- 6.2 Given the scale of the ongoing reductions in Central Government spend, the Council has, and will increasingly need to, deliver public services in a more joined up, effective and efficient manner. Maintaining the current levels and delivery of existing services is unlikely to be an option to the Council in the future.
- 6.3 The Council is well prepared to meet the financial challenges of the coming years. It has a history of ensuring a balanced budget is delivered, as well as over recent years increasing general reserves to a sustainable level to meet the future financial challenges. The Council has successfully delivered a number of change projects in recent years, with a number of the Council's services being delivered by private sector partners. At the same time, the Council has maintained investment in its infrastructure through the approval of capital budgets to deliver a variety of programmes. The Capital Strategy going forward will be even more focussed on delivering revenue savings through the effective use of infrastructure investment.
- 6.4 As can be seen from the above the relative importance of Council Tax and retained business rates grows over the period of the MTFS from 75% to almost 100% of the Council's income; the Council will by the end of the MTFS be much less reliant upon Government funding. To reflect this, the Council has made retaining existing businesses and attracting new businesses, as well as ensuring a strong supply of housing two of the key outcomes within the new 5YP.

6.5 The Financial Model

Below is a summary of the financial model that drives the anticipated figures included within this document. Also included below the model are some of the key assumptions contained within the model.

The MTFS financial model

	16/17	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000	£'000
Opening Budget	107,658	103,735	100,476	98,131	96,963
Base Budget Changes	2,299	2,700	2,700	2,700	2,700
Directorate Pressures	5,752	3,204	(192)	0	0
Revenue Impact of Capital Investment	330	330	250	750	750
Other Adjustments	(2,180)	2,918	0	0	0
Savings Identified	(10,125)	(12,411)	1,441	(5,363)	0
Savings Requirement	0	0	(6,544)	745	(1,678)
BUDGET REQUIREMENT	103,734	100,476	98,131	96,963	98,735
Retained Business Rates	29,870	30,300	30,603	30,909	31,218
Council Tax	48,693	52,479	55,134	56,799	58,515
Collection Fund	841	(300)	0	0	0
Education Support Grant	1,370	263	0	0	0
Revenue Support Grant	18,480	13,180	9,680	6,120	6,120
Adult Social Care Grant		518	(518)		
New Homes Bonus	3,640	3,196	2,391	2,295	2,043
S31 Business Rates Grant	840	840	840	840	840
TOTAL ESTIMATED FUNDING AVAILABLE	103,734	100,476	98,131	96,963	98,735

- Council Tax – assumed that the Taxbase (i.e. number of properties in Slough) rises by 3% from 2017/18 and then 2% for future years. Council Tax to increase by 4.71% in 2017/18, 3% in 2018/19 and then modelled at 1% in future years.
- Retained Business Rates – assumed growth of 1% per year in Business rates.
- Revenue Support Grant (Government grant) – includes 2017 to 21 figures announced by Government in December 2015 as part of the 4-year settlement offer. These numbers have been confirmed as part of the December 2016 Government announcement.
- Education Services Grant (Government grant) – expect to reduce as this grant reduces with every school that converts to academy status.
- New Homes Bonus – assumed growth in the Taxbase and then reduces per the Government's finance settlement.
- Collection Fund – the balance of surplus / deficit on retained business rates and Council Tax compared to original assumptions
- Base budget changes – increases due to non-pay and pay pressures across the Council.
- Directorate pressures – the 2017/18 items are detailed in Appendix C.
- Revenue impact of capital investment – the amount of revenue budget required to pay off any additional capital borrowing required in future financial years from the capital strategy.
- Other adjustments – the use of or contribution to specific reserves, or one-off saving items that do not go into the baseline of savings.
- Savings– the amount of savings required for each financial year.

7 Comments of Other Committees

- 7.1 This report was submitted to the Overview and Scrutiny Committee, on the 2nd February 2017, for consideration.

8 Conclusion

- 8.1 This report recommends a **4.71%** Council Tax rise for the local taxpayer for 2017/18 (based on fully implementing the government's Adult Social Care precept of 3% and an increase of 1.71% for all other council services). The delivery of this revenue budget is based on a variety of savings measures that are geared towards minimising the impact on service users. These savings measures need to be considered in light of the risks that they represent and in line with any impact assessments that are required.
- 8.2 This report also contains a subsequent number of Council Tax resolutions for approval to enable the Council to bill residents in appropriate time.

9 Background Papers

- '1' - Local Government Finance Settlement 2017/18
- '2' - Council Taxbase Report (December 2016 Cabinet)
- '3' - Medium Term Finance Strategy update paper to Cabinet (December 2016 and January 2017)