

Cabinet – Meeting held on Monday, 24th February, 2025.

Present:- Councillors Smith (Chair), Chahal (Vice-Chair), E. Ahmed, Bedi, Kelly, Manku, Shah (from 7.00pm), Shaik and Wright

Apologies for Absence:- None

PART 1

119. Declarations of Interest

No interests were declared.

120. Budget Management Report Quarter 3

The Lead Member for Finance, Council Assets and Transformation introduced a report that set out the Council's current and forecast financial performance for the 2024/25 financial year to the end of Quarter 3, 31st December 2024.

The Council continued to be on track to deliver a balanced budget by the year end, although there were significant pressures on demand-led services particularly in temporary accommodation and adult social care. The current projected overspend was £5.571m and delivering a balanced position would require sustained recovery action. Robust measures were in place to control costs and challenge all expenditure decisions. The revised General Fund capital budget was £27.283m and the projected outturn was £20.927m. Updates were also noted on the Housing Revenue Account (HRA), Dedicated Schools Grant and the collection of Council Tax and Business Rates.

Lead Members asked a number questions about the action being taken in response to the overspend on temporary accommodation. The Executive Director, Corporate Resources detailed the extensive work being done to resolve long-standing issues with data and housing benefits which aimed to improve the position.

The Cabinet also noted and welcomed the significant progress that had been made in clearing the backlog of accounts. Whilst several sets of accounts since 2018/19 would have a disclaimed audit opinion, the closure of historic accounts would bring financial reporting back into line and be an important milestone in the Council's financial recovery.

After due consideration the recommendations were agreed.

Resolved – That the following be noted:

1. General Fund (Revenue) – A forecast balanced outturn on an approved budget of £160.202m, subject to sustained recovery action.

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- a. The current projected overspend is £5.571m. Issues relating to data quality of Temporary Accommodation mean that forecasts in relation to Temporary Accommodation rent (predominantly Housing Benefit) and Housing Benefit subsidy are being reviewed as there is a concern that these forecasts are understated.
 - b. Work is being undertaken to develop a robust forecasting methodology that is expected to significantly mitigate the current forecast, but it must be assured.
 - c. Alternative measures will be implemented that will seek to contain pressures within budget.
2. General Fund (GF) (Capital) – The revised capital budget is £27.283m with a projected outturn of £20.927m resulting in underspend of £6.356m This compares to a £10.134m forecast underspend in Quarter 2, albeit of a significantly altered budget.
 3. Housing Revenue Account (HRA Revenue) – An underspend of £3.036m is forecast, £0.441m lower than budget. This compares to a £3.478m forecast underspend in Quarter 2.
 4. Housing Revenue Account (HRA Capital) – The revised capital budget is £20.639m with a projected outturn of £19.757m resulting in an underspend of £0.882m. This compares to a £5.362m forecast underspend in Quarter 2.
 5. Dedicated Schools Grant (DSG) – There is an overspend of £0.254m in the Schools Block due to higher than anticipated costs for growth in 2024/25. Further details are set out in para. 8 of this report including the risks This compares to a forecast overspend of £0.254m in Quarter 2.
 6. Council Tax and Business Rates collection – As at the 31 December, actual Council Tax collected was 79.95% (target 81.00%) and actual Business Rate collected was 82.18% (target 84.20%).
 7. Sundry Debt – Total outstanding sundry debt including adult social care debt as at the 30 November 2024 was £7.665m. Based on the age profile of the debt, £6.106m is the calculated bad debt provision (79.66%).
 8. Financial Resilience – The Council remains committed to improving financial resilience, moving towards financial sustainability and improvement in governance and process as laid out in the Directions issued by Government and a capitalisation direction for exceptional finance support in 2024/25.
 9. Once the Council has concluded the outstanding financial accounts, a formal financial resilience statement will be prepared.

121. Fees and Charges

The Lead Member for Finance, Council Assets and Transformation introduced a report that sought approval for the proposed General Fund fees and charges as part of the budget for 2025/26.

The Council reviewed fees and charges on an annual basis in accordance with the agreed framework, including full cost recovery. The approach was to seek to ensure the fees were transparent, fair, equitable and affordable. It was noted that some of the adult social care fees and charges were subject of a separate report elsewhere on the Cabinet agenda. There were two sets of charges where stretch targets had been set - planning and parking fees - and the risk reserve could potentially be utilised if necessary.

The Appendix to the report included a full list of fees and charges proposed for 2025/26 and the Cabinet was asked to approve them insofar as they related to Executive functions. Non-executive fees and charges would be considered by the Licensing Committee on 3rd March 2025.

Lead Members asked questions about several of the specific fees and charges. Officers responded to the queries raised. Overall it was agreed that the proposed changes were proportionate and continued to offer good value for money. The recommendations were agreed.

Resolved –

- (a) That the proposed fees and charges on existing services to be implemented from 1 April 2025 as annotated on Appendix 1 to the report be approved; and
- (b) That it be noted that a formal review of fees and charges including the fees and charges framework would be completed by July 2025 to ensure that fees and charges had been set appropriately.

(Councillor Shah joined the meeting)

122. General Fund Revenue Budget 2025/26 and Medium Term Financial Strategy 2025/26 to 2028/29

The Lead Member for Finance, Council Assets and Transformation introduced a report on the proposed Revenue Budget for 2025/26, General Fund Capital Programme 2025/26 to 2029/30 and the Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29. The Cabinet was asked to recommend approval to full Council on 6th March 2025.

The Council's financial position continued to be challenging and work was progressing on improving financial sustainability and providing a balanced MTFS over the medium term. The Council was in receipt of Exceptional Financial Support through a Capitalisation Direction of up to £348m in total which needed to be repaid. Continued delivery of the asset disposal

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programme was therefore a priority. The proposed balanced revenue budget for 2025/26 was based upon a 4.99% increase in Council Tax, including the 2% Adult Social Care Precept, and was subject to the Exceptional Financial Support for 2025/26 of £15.709m. The Council also faced many of the significant financial pressures facing many local authorities particularly the rise in demand and cost for services such as temporary accommodation, special educational needs and disabilities and adult social care.

The Lead Member summarised the key aspects of the budget and highlighted the work of the Project Rooms that helped to close the budget gap and identified £13m worth of efficiencies. The budget was an important milestone in the Council's financial recovery and was a further sign of progress as the Council sought to move towards financial sustainability and live within its means. The capital programme was significant and demonstrated the Council continued to invest in key projects and the growth of the town. The Executive Director, Corporate Resources highlighted a number of the key risks the budget and drew Members attention to the Section 25 report at Appendix 1.

The Cabinet thanked the finance team and officers across the Council for producing a balanced revenue budget in very challenging circumstances. Lead Members commented on the importance of sustaining the pace of the Council's financial recovery as part of the ambition to become a Best Value Council by November 2026. After due consideration, it was agreed to recommend the budget to full Council on 6th March 2025.

Recommended to full Council –

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

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- (f) Approve the General Fund capital programme as set out in Section 12 and ; and
- (g) Approve the Flexible Use of Capital Receipts Strategy as set out in Section - 17.5 and Appendix to this report.

Resolved –

That it be noted that:

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

Approved:

- n) the budget proposals for the Dedicated Schools Grant for 2025/26, included in section 15, paragraph 15.14, namely;
 - i. The local formulae for schools and early years;
 - ii. To support the decisions of Schools Forum on the aspects of the Schools, Central Services and Early Years Blocks that are theirs to decide; and
 - iii. to agree the budget for the High Needs Block.
- o) The contract sum for Slough Children First for 2025/26 as £38.353m; and
- p) Delegated to the Executive Director, Corporate Resources (S151 officer) any decision resulting from the review of corporate support services between Slough Children First and the Council.

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(Note: The Meeting opened at 6.30 pm and closed at 7.30 pm)

Chair