

NOTICE
OF
MEETING

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CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

will meet on

TUESDAY, 5TH DECEMBER, 2017

at

6.00 PM

in the

COUNCIL CHAMBER - TOWN HALL, MAIDENHEAD,

TO: MEMBERS OF THE CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

COUNCILLORS COLIN RAYNER (CHAIRMAN), DAVID BURBAGE (VICE-CHAIRMAN), DR LILLY EVANS, MOHAMMED ILYAS, EILEEN QUICK, LYNNE JONES AND GERRY CLARK

SUBSTITUTE MEMBERS

COUNCILLORS JESSE GREY, JOHN LENTON, JOHN STORY, SIMON WERNER, PAUL BRIMACOMBE, JUDITH DIMENT AND RICHARD KELLAWAY

Karen Shepherd - Democratic Services Manager

Issued: 27/11/2017

Members of the Press and Public are welcome to attend Part I of this meeting.

The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the Panel Administrator

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AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES</u> To receive any apologies of absence.		-
2.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest.		5 - 6
3.	<u>FINANCIAL UPDATE</u> To comment on the Cabinet report.		7 - 24
4.	<u>COUNCIL TAX BASE 2018-19</u> To comment on the Cabinet report.		25 - 32
5.	<u>TREASURY MANAGEMENT REPORT 2016/17</u> To comment on the Cabinet report.		33 - 40
6.	<u>PROPERTY COMPANY</u> To comment on the Cabinet Regeneration Sub-Committee report.		41 - 50

MEMBERS' GUIDE TO DECLARING INTERESTS IN MEETINGS

Disclosure at Meetings

If a Member has not disclosed an interest in their Register of Interests, they **must make** the declaration of interest at the beginning of the meeting, or as soon as they are aware that they have a DPI or Prejudicial Interest. If a Member has already disclosed the interest in their Register of Interests they are still required to disclose this in the meeting if it relates to the matter being discussed.

A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in the discussion or vote at a meeting.** The speaking time allocated for Members to make representations is at the discretion of the Chairman of the meeting. In order to avoid any accusations of taking part in the discussion or vote, after speaking, Members should move away from the panel table to a public area or, if they wish, leave the room. If the interest declared has not been entered on to a Members' Register of Interests, they must notify the Monitoring Officer in writing within the next 28 days following the meeting.

Disclosable Pecuniary Interests (DPIs) (relating to the Member or their partner) include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any licence to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where:
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

Any Member who is unsure if their interest falls within any of the above legal definitions should seek advice from the Monitoring Officer in advance of the meeting.

A Member with a DPI should state in the meeting: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations on the item: 'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'

Prejudicial Interests

Any interest which a reasonable, fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs the Member's ability to judge the public interest in the item, i.e. a Member's decision making is influenced by their interest so that they are not able to impartially consider relevant issues.

A Member with a Prejudicial interest should state in the meeting: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations in the item: 'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'

Personal interests

Any other connection or association which a member of the public may reasonably think may influence a Member when making a decision on council matters.

Members with a Personal Interest should state at the meeting: ***'I wish to declare a Personal Interest in item x because xxx'. As this is a Personal Interest only, I will take part in the discussion and vote on the matter.***

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Agenda Item 3

Report Title:	Financial Update
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet – 14 December 2017
Responsible Officer(s):	Russell O’Keefe, Executive Director, Rob Stubbs, Deputy Director and Head of Finance.
Wards affected:	All

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REPORT SUMMARY

1. This report sets out the Council’s financial performance to date in 2017-18.
2. An in-year mitigation exercise was undertaken prior to September Cabinet and £1,290,000 of savings were identified. These savings continue to offset the pressures in Children’s Services, Housing, Visitor Management, Revenues and Benefits, Community Protection, and Library & Resident Services.
3. The projected over spend on the General Fund is now £211,000 see Appendix A. The projected variances in each Directorate are detailed in section 4.
4. The Council remains in a strong financial position; with General Fund Reserves of £7,774,000 (8.79% of budget) in excess of the £5,780,000 (6.54% of budget) recommended minimum level set at Council in February 2017.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet:

- i) **Notes the Council’s projected outturn position for 2017-18 and mitigating actions to address service pressures.**

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 This is a monitoring report and cabinet are being asked to note it not make a decision.

3 KEY IMPLICATIONS

- 3.1 The Council is projecting a General Fund Reserve of £7,774,000. The 2017-18 budget report recommended a minimal reserve level of £5,780,000 to cover known risks for 18 months.

Table 1: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
General Fund Reserves Achieved	<£5,800,000	£5,800,000 to £6,000,000	£6,000,001 to £6,500,000	> £6,500,000	31 May 2018

4 FINANCIAL DETAILS / VALUE FOR MONEY

Managing Director's Directorate

- 4.1 The Managing Director reports a projected outturn figure for 2017-18 of £62,185,000 against a net controllable budget of £62,214,000, showing an underspend of £29,000. The underspend has reduced by £1,000 from the position reported last month.
- 4.2 The mitigations of £1,056,000 identified in the 28 September 2017 cabinet report have been extracted from the budgets and are shown on a separate line in appendix A.

Children's Services

- 4.3 Children's Services has a net overspend of £1,497,000. This is reflected in appendix A as AfC Contract £1,097,000 and pre AfC Contract £400,000. Representing a reduced overspend of £162,000 against the reported position in November 2017, due to the transfer of legal services cost to the commissioned services budget. The material variances are explained in section 4.4 of this report.

Children's Services previously reported variances which are unchanged

- 4.4 Variances previously reported within Children's Services:
- Placement costs for children in care £975,000
 - Home to school transport £296,000
 - Agency and interim employees £326,000
 - Health Visitor Services £100,000 underspend

Dedicated schools grant

- 4.5 There is a net in year deficit of £483,000 relating to the dedicated schools grant funded services. The deficit of £483,000 consists of:
- Underachievement of the High Needs Block savings plan. This is related to schools not agreeing to a reduction in Top Up allocations and an increase in annual fees. Further strategies are underway to deliver the remainder of the savings plan £300,000
 - Estimated increased numbers of pupils requiring Alternative Provision support £80,000
 - Costs of conversion to academy status for Bisham Church of England Primary School £69,000
 - In year increased school rates charged to the central school budget £40,000
 - Other minor variances net £6,000 underspend
- 4.6 The net overspend will increase the pressure on the dedicated schools grant reserve which is projected at £1,235,000 at 31 March 2018. The Schools Forum authorised the March 2017 deficit of £752,000 along with a three year recovery plan April 2017 – March 2020.

- 4.7 Adult Social Care reports a net underspend of £451,000, a reduction of £44,000 from November 2017 reported position. The change relates to a reduction in expected rental payments on older peoples block contract provision.
- 4.8 Housing reports a projected overspend of £606,000 an increase of £393,000 from November 2017 reported position. The movement reflects the increase in residents requiring housing provision which we are unable to match from our existing capacity and therefore temporary accommodation is required at a higher cost. The increase in spend is being fully offset by grant income of £606,000.
- 4.9 Commissioning and Support is showing a net underspend of £45,000. The reported underspend has reduced from last month by £207,000 as a result of:
- Legal services £228,000, consisting of £162,000 transfer from Children's services plus increased expected usage for both Adult's and Children's Services of £66,000
 - Procurement vacancies £25,000 underspend
 - Others £4,000

Other previously reported variances which are unchanged

- 4.10 Other variances contributing to the position of the overall directorate:
- Law and Governance £35,000 underspend
 - Communications £60,000

Communities Directorate

- 4.11 The Executive Director reports an overspend projection of £295,000 on the Communities directorate's 2017-18 approved estimate of £14,985,000.
- 4.12 This is unchanged from the position reported to November Cabinet.

Place Directorate

- 4.13 The Executive Director projects an underspend of £55,000 on the Place directorate's 2017-18 approved estimate of £2,892,000.
- 4.14 The position has reduced by £25,000 since last month from a pressure on the legal budget in the Property service team.

Revenue budget movement

- 4.15 There are no revenue budget movements this month, see Appendix C for an expanded full year movement statement.

Cash balances projection

- 4.16 Appendix D provides details of the Borough's cash balance which is based on the assumptions contained in the 2017-18 budget report. These have been revised during the year.

Table 3 New borrowing reconciliation

Potential new borrowing as reported to Cabinet in February 2017	£72,999,000	
Scheme changes prior to approval (appendix D)	(£26,403,000)	
		£46,596,000
Schemes not yet approved		(£1,550,000)
Less reported slippage (appendix F)		(£2,005,000)
Budget not yet loaded that may be re-profiled		(£3,500,000)
Current estimate of potential new borrowing		£39,541,000

4.17 Whilst table 3 shows the latest estimate of new borrowing, slippage is likely to increase by year end. Reducing the need to borrow in 2017/18 and therefore reducing interest charges.

4.18 Whilst this leaves some uncertainty about the eventual borrowing requirement for the year the management of our cash balances and borrowing is carried out on a daily basis and the decision to borrow is not taken until all balances have been utilised.

Capital programme

4.19 The approved 2017-18 capital estimate is £76,028,000, see table 4. The projected outturn for the financial year is £72,638,000, an increase on the capital outturn in 2016-17 of £28,861,000.

4.20 Additional slippage reported this month includes £500,000 for the reprovision of Magnet Leisure Centre. The design and initial site costs are now expected to complete in December 2018. The Victory Fields Pavilion Centre scheme has been redesigned resulting in £200,000 of slippage to 2018-19.

4.21 Further information on key capital schemes has been provided in Appendix G.

Table 4: Capital outturn

	Exp	Inc	Net
Approved estimate	£76,028,000	(£29,386,000)	£46,642,000
Variances identified	(£104,000)	£49,000	(£55,000)
Slippage to 2018-19	(£3,286,000)	£1,281,000	(£2,005,000)
Projected Outturn 2017-18	£72,638,000	(£28,056,000)	£44,582,000

Table 5: Capital programme status

	Report Cabinet December 2017
Number of schemes in programme	300
Yet to Start	30%
In Progress	41%
Completed	14%
Ongoing Programmes e.g. Disabled Facilities Grant	15%
Devolved Formula Capital Grant schemes budgets devolved to schools	0%

Business rates

- 4.22 Business rate income at the end of October was 67.16% against a target of 66.5% The annual collection target is 98.8%.
- 4.23 With regard to the three new types of business rate relief announced by the Chancellor in the Spring Budget, the Council has undertaken a range of activities, see points 4.24 – 4.27.
- 4.24 **New Business Rate Relief for Pubs:** 89 public houses that fit within the guidelines provided by DCLG were identified. An application form was designed and issued to them on 21st July 2017, inviting them to confirm their eligibility for this assistance i.e. essentially that they are not disqualified on the grounds of State Aid. As at 14th November, we have received 43 applications back. Those eligible receive a flat £1,000 relief against their current year bill.
- 4.25 **New Discretionary Relief Scheme:** 870 potential ratepayers were identified and issued with a claim form w/c 28th August. As at 14th November we have received 28 applications back. Only 12 have been returned with sufficient supporting evidence to make an award e.g. accounts or estimates of annual income/expenditure, a history of the business, details of the amount of assistance requested etc. This has resulted in relief of £134,725 being awarded. Requests for the missing evidence/information have been made to the others.

Supporting Small Businesses: a new software release has been received and tested but the support of our software supplier to upgrade the IT platform is required in order to deploy into the live environment. The earliest date available for this is the second week-end of December which has been booked with the supplier. In the meantime, a manual method of calculation is being investigated. A potential 34 ratepayers may qualify for this relief.

- 4.26 Further work is taking place across the council teams to further promote the three schemes to eligible ratepayers. Discussions have taken place with the Communications Team regarding a structured plan including a press release, attendance at Pubwatch meetings, meeting the Chamber of Commerce, Small Business Saturday and a social media campaign.

5 LEGAL IMPLICATIONS

- 5.1 In producing and reviewing this report the Council is meeting its legal obligations to monitor its financial position.

6 RISK MANAGEMENT

Table 5: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
None			

7 POTENTIAL IMPACTS

- 7.1 None.

8 CONSULTATION

8.1 Overview & Scrutiny meetings are scheduled prior to this Cabinet. Any comments from those meetings will be reported verbally to Cabinet.

9 TIMETABLE FOR IMPLEMENTATION

9.1 Implementation date if not called in: Immediately.

10 APPENDICES

10.1 There are seven appendices attached to this report:

- Appendix A Revenue budget summary
- Appendix B Development fund analysis
- Appendix C Revenue movement statement
- Appendix D Cash flow projection
- Appendix E Capital budget summary
- Appendix F Capital variances
- Appendix G Key capital scheme performance

11 BACKGROUND DOCUMENTS

11.1 Background documents relating to this report are detailed below.

- Budget Report to Cabinet February 2017.

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr, Saunders	Lead Member for Finance		
Cllr Rankin	Deputy Lead Member for Finance		
Alison Alexander	Managing Director	13/11/17	13/11/17
Russell O'Keefe	Executive Director	13/11/17	
Andy Jeffs	Executive Director	13/11/17	

REPORT HISTORY

Decision type: For information	Urgency item? No
Report Author: Rob Stubbs, Deputy Director and Head of Finance, 01628 796222	

Revenue Monitoring Statement 2017/18 for December 2017 Cabinet

SUMMARY	2017/18		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Management	292	429	1
Communications	294	359	60
Human Resources	1,441	1,118	0
Law & Governance	1,918	1,912	(35)
Commissioning & Support	5,139	3,099	(45)
Children's Services - AfC Contract	0	13,919	1,097
Children's Services - pre AfC Contract	15,865	4,089	400
Dedicated Schools Grant - Spend	63,413	62,036	483
Adult Social Care - Optalis Contract	0	29,099	0
Adult Social Care - Spend	24,107	13,247	115
Adult Social Care - Income	8,152	(8,387)	(566)
Better Care Fund	9,305	11,594	0
Public Health	4,910	4,909	0
Housing	1,107	1,038	606
Grant Income	(76,396)	(77,303)	(1,089)
Budget Extracted in Year	0	1,056	(1,056)
Total Managing Director's Directorate	59,547	62,214	(29)
Executive Director of Communities	184	187	0
Revenues & Benefits	370	256	160
Commissioning - Communities	9,702	9,826	(1)
Communities, Enforcement & Partnerships	1,326	1,189	157
Library & Resident Services	3,459	3,439	67
Budget Extracted in Year	0	88	(88)
Total Communities Directorate	15,041	14,985	295
Executive Director of Place	153	301	15
Planning Service	1,471	1,491	0
Property Service	(1,805)	(2,102)	76
Finance	2,149	1,532	0
ICT	2,199	1,524	0
Budget Extracted in Year	0	146	(146)
Total Place Directorate	4,167	2,892	(55)
TOTAL EXPENDITURE	78,755	80,091	211

Revenue Monitoring Statement 2017/18 for December 2017 Cabinet

SUMMARY	2017/18		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Total Service Expenditure	78,755	80,091	211
Contribution to / (from) Development Fund	2,255	(1,004)	0
Pensions deficit recovery	2,415	2,415	0
Pay reward	500	0	0
Transfer to/(from) Provision for Redundancy	0	(353)	0
Apprentice Levy	280	211	0
Environment Agency levy	153	153	0
Variance on income from Trading Companies		143	0
Variance on Education Services Grant		(109)	0
Capital Financing inc Interest Receipts	5,069	5,110	0
NET REQUIREMENTS	89,427	86,657	211
Less - Special Expenses	(1,009)	(1,009)	0
Transfer to / (from) balances	0	2,770	(211)
GROSS COUNCIL TAX REQUIREMENT	88,418	88,418	0
General Fund			
Opening Balance	5,291	5,215	7,985
Transfers to / (from) balances	0	2,770	(211)
	<u>5,291</u>	<u>7,985</u>	<u>7,774</u>
NOTE Service variances that are negative represent an underspend, positive represents an overspend.			

Memorandum Item	
Current balance on the Development Fund	
	£000
Opening Balance	1,004
Transfer (to) / from other reserves	
Transfer from General Fund - sweep	
Transfer (to) / from General Fund - other initiatives	2,167
Final transfer to the General Fund	(3,171)
	<u>0</u>

Corporate Development Fund £000
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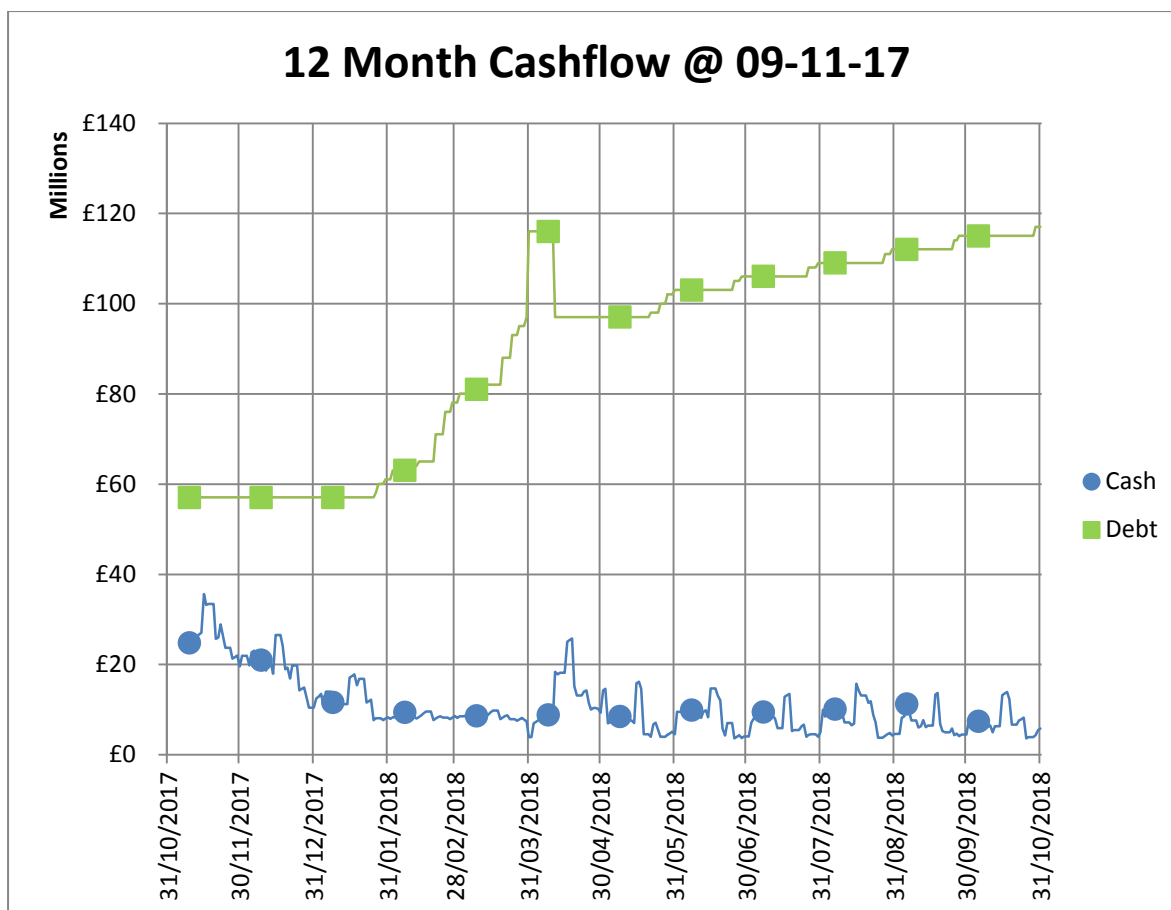
Balance B/F from 2016/17		1,004
Transacted amounts in 2017/18		
To/From Capital Fund		0
To/From General Fund		
Transition Grant (2017/18 budget - February 2017 Council)	1,263	
Contribution from the General Fund (2017/18 budget - February 2017 Council)	1,109	
Restructure of the Development and Regeneration service (2017/18 budget - February 2017 Council)	-56	
Minerals and Waste Strategy (2017/18 budget - February 2017 Council)	-61	
Crematorium feasibility study (CMT April 2017)	-30	
Contact Centre investment (May Cabinet)	-58	
Balance of Development Fund transferred to General Fund	-3,171	
	-1,004	
		0

Appendix C

Budget Movement Statement 2017-18							
	Funded by Development Fund (1)	Funded by the General Fund (2)	Funded by Provision (3)	Included in the original budget (4)	Total	Approval	
	£'000	£'000	£'000	£'000	£'000		
Original Budget					78,755		
1 Carry forward of transforming services budgets re-allocated		264			264	Cabinet May 2017	
2 Optalis share of pay reward / award budget re-allocated				75	75	Council Feb. 2017	
3 Optalis share of apprentice levy budget re-allocated				36	36	Council Feb. 2017	
4 Redundancy cost			43		43	Cabinet May 2017	
5 Crematorium feasibility study	30				30	CMT April 2017	
6 Budget rounding		4			4	N/A	
7 Allocation of pay reward budget to services				425	425	Council Feb. 2017	
8 Legal budget for Heathrow expansion		40			40	Prioritisation Sub Committee Oct 2016	
9 Redundancy cost funded by provision			38		38	Cabinet May 2017	
10 Election security costs		19			19	CMT June 2017	
11 iPad / iPhone maintenance budget		10			10	Head of Finance delegated powers	
12 Return on pre-payment of Optalis pension contributions		(41)			(41)	Treasury management policy	
13 Redundancy cost funded by provision			236		236	Cabinet May 2017	
14 Contact Centre investment	58				58	Cabinet May 2017	
15 AfC share of apprentice levy budget re-allocated				33	33	Council Feb. 2017	
16 Additional Members SRA budget		5			5	Council July 2017	
17 Staff cost budget due to additional pay costs in MD's directorate		25			25	CMT	
18 Redundancy cost funded by provision			36		36	Cabinet May 2017	
Changes Approved	88	326	353	569	1,336		
Approved Estimate December Cabinet					80,091		

NOTES

- 1 When additional budget is approved, a funding source is agreed with the Lead Member of Finance. Transactions in column 1 have been funded from a usable reserve (Development Fund).
- 2 If additional budget is approved but no funding is specified, the transaction would, by default, be funded from the General Fund Reserve. Transactions in column 2 are funded by the General Fund.
- 3 A provision for future redundancy costs is created every year and this is used to fund additional budget in services for the costs of redundancy they incur during the year. Transactions in column 3 are redundancy costs funded by the provision for redundancy.
- 4 Transactions in column 4 are amounts approved in the annual budget which for various reasons need to be allocated to service budgets in-year. An example would be the pay reward budget. Pay reward payments are not approved until June. The budget therefore has to be re-allocated.



Note 1. When the 2017-18 budget was approved by Council in February 2017, new borrowing was anticipated to be £72,999,000 for 2017/18. Due to the re-profiling of a number of schemes on the cash flow forecast, expected new borrowing has reduced to £40m by the year end.

Note 2. Capital expenditure is projected to increase steadily throughout 2017-18. The exact profile may vary and monitoring of schemes and cash balances will decide the rate at which our borrowing will increase to ensure that no unnecessary debt charges are incurred.

Note 3. During the year a number of changes have taken place which impact on the potential borrowing of the Council. The table overleaf is a list of changes to date.

Scheme changes prior to budgets being loaded

Removal of Minimum Revenue Provision (MRP)*	2,191
Revised estimate of 2017-18 capital programme	10,225
Net reduction on Nicholsons car park	(7,375)
Removal of St Clouds Way Ten pin bowl - purchase of long leasehold interest	(4,500)
Removal of King Edward Court	(2,000)
Cost of Maidenhead Golf Club Contract Legals reduced	(1,200)
York House, Windsor re-profiled	(5,830)
Removal of Lowbrook School	(740)
Long Term Parking provision reduced and re-profiled	(7,670)
Inclusion of Stafferton Way and River Street Car Park	317
Purchase of Ivy Leaf club and King George vi club	1,000
Additional funding for the waterways project	450
Re-profiling of Braywick Leisure Centre	(12,000)
Re-profiling of York House per July 17 Council	3,030
Broadway Car Park re-profiled	(2,000)
Front of Maidenhead Station re-profiled	(585)
Temporary parking provision re-profiled	306
Stafferton Way and River Street Car Park removed	(317)
Operational estate improvements re-profiled	650
Purchase of King George vi club removed	(1,000)
Town Centre JV and Property Company professional fees increased	95
Waterways increased	550
	(26,403)

* MRP is charged to the General Fund and used to fund the capital programme. It should not have been included in the original list.

Portfolio Summary	2017/18 Original Budget			New Schemes – 2017/18 Approved Estimate			Schemes Approved in Prior Years			Projections – Gross Expenditure				
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	2017/18 Projected	2017/18 SLIPPAGE Projected	TOTAL Projected	VARIANCE Projected	VARIANCE Projected
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	(£'000)	(£'000)	(£'000)	(£'000)	(%)
Communities Directorate														
Sports & Leisure	2,050	0	2,050	2,050	0	2,050	647	(11)	636	2,197	500	2,697	0	0%
Community Facilities	710	(70)	640	710	(70)	640	423	0	423	1,123	10	1,133	0	0%
Outdoor Facilities	310	(120)	190	610	(420)	190	920	(400)	520	1,330	200	1,530	0	0%
Revenues & Benefits	0	0	0	0	0	0	126	0	126	76	50	126	0	
Green Spaces & Parks	281	(231)	50	281	(231)	50	99	(81)	18	332	0	332	(48)	-17%
Commissioning – Communities	5,506	(2,985)	2,521	6,162	(3,641)	2,521	4,168	(1,479)	2,689	8,946	1,362	10,308	(22)	0%
Community Protection & Enforcement Services	600	(600)	0	600	(600)	0	505	(18)	487	1,105	0	1,105	0	0%
Library & Resident Services	470	(12)	458	851	(12)	839	978	(312)	666	1,829	0	1,829	0	0%
Total Communities Directorate	9,927	(4,018)	5,909	11,264	(4,974)	6,290	7,866	(2,301)	5,565	16,938	2,122	19,060	(70)	(0)
Place Directorate														
Technology & Change Delivery	275	0	275	275	0	275	96	0	96	348	23	371	0	0%
Property & Development	4,950	0	4,950	11,350	0	11,350	852	(251)	601	12,002	197	12,199	(3)	0%
Regeneration & Economic Development	560	0	560	2,171	0	2,171	5,685	(328)	5,357	7,856	0	7,856	0	0%
Planning	470	0	470	470	0	470	339	(185)	154	665	144	809	0	0%
Total Place Directorate	6,255	0	6,255	14,266	0	14,266	6,972	(764)	6,208	20,871	364	21,235	(3)	(0)
Managing Director														
Adult Social Care	0	0	0	0	0	0	51	(51)	0	51	0	51	0	
Housing	500	(500)	0	1,995	(1,995)	0	575	(545)	30	1,770	800	2,570	0	0%
Democratic Representation	88	0	88	88	0	88	130	0	130	188	0	188	(30)	-34%
Non Schools	75	0	75	114	(39)	75	259	(234)	25	373	0	373	0	0%
Schools – Non Devolved	28,030	(16,640)	11,390	28,220	(15,812)	12,408	3,283	(1,726)	1,557	31,502	0	31,502	(1)	0%
Schools – Devolved Capital	223	(223)	0	292	(292)	0	653	(653)	0	945	0	945	0	0%
Total Managing Director	28,916	(17,363)	11,553	30,709	(18,138)	12,571	4,951	(3,209)	1,742	34,829	800	35,629	(31)	(0)
Total Committed Schemes	45,098	(21,381)	23,717	56,239	(23,112)	33,127	19,789	(6,274)	13,515	72,638	3,286	75,924	(104)	(1)

Portfolio Total	(£'000)	45,098	(£'000)	76,028	(£'000)	72,638
External Funding						
Government Grants	(17,447)		(17,583)		(17,152)	
Developers' Contributions	(3,934)		(7,397)		(6,498)	
Other Contributions	0		(4,406)		(4,406)	
Total External Funding Sources	(21,381)		(29,386)		(28,056)	
Total Corporate Funding		23,717		46,642		44,582

Capital Monitoring Report - November 2017-18

At 30 November 2017, the approved estimate stood at £76.028m

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Estimate	76,028	(29,386)	46,642
Variances identified	(104)	49	(55)
Slippage to 2018/19	(3,286)	1,281	(2,005)
Projected Outturn 2017/18	72,638	(28,056)	44,582

Overall Projected Expenditure and Slippage

Projected outturn for the financial year is £72.638m

Variances are reported as follows.

Commissioning - Communities			
CD95	Safer Routes-Holyport College	(22)	0 (22) Planning Permission refused/delayed
Green Spaces & Parks			
CZ46	P&OS-Vansittart Road Skate Park-Extension /Imps	(48)	48 0 Scheme will not be undertaken due to insufficient funding
Property & Development			
CX32	MASH Building Works-Town Hall, Maidenhead	(3)	0 (3) Scheme completed
Democratic Representation			
CN75	Performance Management System	(30)	0 (30) Scheme no longer required
Schools - Non Devolved			
CSHH	Maidenhead Nursery School Structural Improvements	4	(4) 0 Revised Estimate
CSJA	Larchfield Nursery Refurbishment	(15)	15 0 No further expenditure expected
CSJK	Riverside Double Classroom	10	(10) 0 Revised Estimate
		<u>(104)</u>	<u>49</u> <u>(55)</u>

Additional slippage reported this month is as follows

Previously reported slippage	(2,586)	1,281	(1,305)
Sports & Leisure			
CZ18	Magnet LC Reprovision Design / Initial Site Costs	(500)	0 (500) Project scheduled for completion Dec 2019
Outdoor Facilities			
CZ49	P&OS - Victory Field Pavilion Centre	(200)	0 (200) Slippage arising from redesign of scheme
		<u>(3,286)</u>	<u>1,281</u> <u>(2,005)</u>

Overall Programme Status

The project statistics show the following position:

Scheme progress	No.	%
Yet to Start	90	30%
In Progress	122	41%
Completed	43	14%
Ongoing Programmes e.g.. Disabled Facilities Grant	44	15%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	0%
Total Schemes	<u>300</u>	<u>100%</u>

		November 2017 @ 02/11/17																	
Project	CAPITAL SCHEME	2017/18 APPROVED ESTIMATE			APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2017/18			PROJECTIONS			PROJECT STATUS					
		Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate	2017/18 Projected Variance <i>Underspend as negative</i>	2018/19 Expected Slippage	2018/19 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000					
Communities Directorate																			
Sports & Leisure																			
CZ18	Magnet LC Reprovision Design / Initial Site Costs	1,650	0	1,650	350	0	350	2,000	0	2,000	0		500						
Highways & Transport																			
CD12	Roads Resurfacing-Transport Asset & Safety	1,650	(1,650)	0	132	(131)	1	1,782	(1,781)	1	0		0						
CD84	Street Lighting-LED Upgrade	1,600	0	1,600	634	0	634	2,234	0	2,234	0		0						
Community, Protection & Enforcement Services																			
CT52	Disabled Facilities Grant	600	(600)	0	0	0	0	600	(600)	0	0		0						
Place Directorate																			
Regeneration																			
CI14	Maidenhead Waterways Construction phase 1	0	0	0	1707	(141)	1566	1,707	(141)	1,566	0		0						
CI29	Broadway Car Park & Central House Scheme	0	0	0	2952	(187)	2765	2,952	(187)	2,765	0		0						
Managing Director																			
Housing																			
CT51	Key Worker DIYSO	0	0	0	510	(510)	0	510	(510)	0	0		100						
CT55	Brill House Capital Funding	500	(500)	0	0	0	0	500	(500)	0	0		500					Delays in commencement mean funds unlikely to be requested in 17/18	
Non Schools																			
CKVT	Marlow Road Youth Centre Roofing and Maintenance Work	400	0	400	0	0	0	400	0	400	0		0						

Project	CAPITAL SCHEME			2017/18 APPROVED ESTIMATE			APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2017/18			PROJECTIONS			PROJECT STATUS				
		Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate	2017/18 Projected Variance <i>Underspend as negative</i>	2018/19 Expected Slippage	2018/19 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion		
																			£000	£000

Project	CAPITAL SCHEME	2017/18 APPROVED ESTIMATE			APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2017/18			PROJECTIONS			PROJECT STATUS				
		Gross £000	Income £000	Estimate £000	Gross £000	Income £000	Estimate £000	Gross £000	Income £000	Estimate £000	2017/18 Projected Variance Underspend as negative £000	2018/19 Expected Slippage £000	2018/19 SLIPPAGE Projected £000	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion
	Schools – Non Devolved																	
CSGR	Charters Expansion	3,630	(2,952)	678	203	(203)	0	3,833	(3,155)	678	0		0					
CSGT	Windsor Boys Expansion	1,120	(1,120)	0	(108)	108	0	1,012	(1,012)	0	0		0					
CSGV	Cox Green School Expansion Year 1 of 3	4,880	(2,514)	2,366	133	(133)	0	5,013	(2,647)	2,366	0		0					
CSGW	Furze Platt Senior expansion Year 1 of 3	6,750	(2,212)	4,538	431	(431)	0	7,181	(2,643)	4,538	0		0					
CSGX	Dedworth Middle School Expansion Year 1 of 3	3,780	(2,081)	1,699	153	(153)	0	3,933	(2,234)	1,699	0		0					
CSHU	Windsor Girls Expansion	1,800	(1,800)	0	(64)	64	0	1,736	(1,736)	0	0		0					

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Report Title:	Council Tax Base 2018-19
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet – 14 December 2017
Responsible Officer(s):	Russell O’Keefe, Executive Director, Rob Stubbs, Deputy Director and Head of Finance.
Wards affected:	All

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REPORT SUMMARY

1. This report deals with the statutory requirement to set the Council’s tax base for Council Tax for 2018-19. The tax base is used by Thames Valley Police, Berkshire Fire & Rescue Authority, local Parish Councils as well as the Borough for setting precepts and Council Tax next year.
2. The tax base is in line with the level anticipated in the Councils Medium Term Financial Plan and has increased since last year for two main reasons:
 - The number of properties being built.
 - Reduced number of households claiming Local Council Tax Support Discount.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and:

- i) Approves the council tax base for the whole of the Borough area, for the year 2018-19 at 67,617.93 as detailed in this report and appendices.

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Table 1: Options

Option	Comments
Accept the recommendations	Council Tax is likely to achieve planned levels.
Reduce the non-payment percentage	There is no guarantee the Council would recover the increased Council Tax arising from this action.

3 KEY IMPLICATIONS

- 3.1 **Local Council Tax Support (LCTS)** The delivery of LCTS as a discount under the localisation initiative has a significant impact on the tax base with in excess of 3600 properties estimated to receive up to 100% discount, dependant on their circumstances. However indications are that the numbers of claimants across the Borough are falling. The estimated cost of the discount is lower in 2018-19 (£4,086,000) compared to 2017-18 (£4,107,000). This comes through as an increase in the tax base compared to the estimate used in 2017-18.
- 3.2 **New Properties.** Provision needs to be made in the 2018-19 tax base for new properties that are likely to be occupied before the end of the next financial year. This provision is calculated by colleagues in the revenues team following conversations with planners, building control and local builders. The growth in local housing continues at a high level and the part year effect of 718 properties will be included in the provision for 2018-19.
- 3.3 **Collection Rate.** A review of eventual collection rates has been carried out which revealed that assumptions used to calculate the 2017-18 tax base (99.5%) are adequate and no changes are proposed.
- 3.4 **Business Rates.** Under the localisation of Business Rates initiative, also enabled in the Local Government Finance Bill, the borough now has a greater financial interest in the local business rate tax base as the Borough now shares in the risks and rewards associated with growth in the local economy. Whilst the Business rate tax base can be estimated using last years returns the actual Business Rate tax base cannot be calculated until DCLG publishes the NNDR1 return in January. Information on the business rate tax base will, therefore, be included in the Budget report to February Cabinet along with other assumptions that have been made about the income that is likely to accrue.

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1. The Council tax base for the individual parts of the Royal Borough (both parished and unparished areas) is as follows:

PARISH	Local Tax Base 2018-19 (band D equivalent properties)
Bisham	735.65
Bray	4,195.32
Cookham	2,923.18
Cox Green	3,073.72
Datchet	2,212.50
Eton	1,800.59
Horton	463.67
Hurley	996.80
Old Windsor	2,402.83
Shottesbrooke	74.68
Sunningdale	3,419.99

Sunninghill	6,455.77
Waltham St Lawrence	661.04
White Waltham	1,266.92
Wraysbury	2,168.79
UNPARISHED	
Maidenhead	21,234.15
Windsor	13,532.33
TOTAL	67,617.93

- 4.2. The Council's budget requirement divided by the tax base (above) equals the Band D council tax that is set by the Council in February 2018.
- 4.3. The tax base has increased by 908.29 band D equivalent properties since 2017-18 which is an increase of 1.4%.
- 4.4. Band D equivalent properties are the number of band D properties in the area which would raise the same council tax as the actual number of properties in all bands. For example, one band H property is equivalent to two band D properties, because the taxpayer in a Band H property pays twice as much council tax.

5 LEGAL IMPLICATIONS

- 5.1 This report is part of the process required for the Council to meet its legal obligations to set its tax base and an annual budget.

6 RISK MANAGEMENT

Table 4: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
That the non-collection rate of 0.5% proves to be inadequate.	A deficit on the collection fund will result and this would be used to adjust future calculations of council tax.	The non-collection rate is the best estimate based on past collection rates. The collection rate is monitored throughout the year.	Minimal

7 POTENTIAL IMPACTS

- 7.1 None.

8 CONSULTATION

- 8.1 Overview & Scrutiny meetings are scheduled prior to this Cabinet. Any comments from those meetings will be reported verbally to Cabinet.

9 TIMETABLE FOR IMPLEMENTATION

- 9.1 The budget for 2018-19 will be finalised in January 2018 with full details going to Cabinet and Council in February 2018. Residents will be advised of their Council Tax in March 2018.

10 APPENDICES

- 10.1 Appendix A Analysis of properties.
Appendix B Tax base by parish by band.
Appendix C 2018-19 tax base compared with 2017-18.

11 BACKGROUND DOCUMENTS

- 11.1 Council tax base report 15th December 2016

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Saunders	Lead Member for Finance		
Cllr Rankin	Deputy Lead Member for Finance		
Alison Alexander	Managing Director		
Russell O'Keefe	Executive Director		
Andy Jeffs	Executive Director		

REPORT HISTORY

Decision type: For information	Urgency item? No
Report Author: Rob Stubbs, Deputy Director and Head of Finance, 01628 796222	

Tax Base 2018/19 - Analysis of Properties

BAND		A (Entitled to Disabled Relief Reduction)	A	B	C	D	E	F	G	H	TOTAL
Number Of Properties											
Full Charge		1	804	1,186	4,976	10,684	9,349	6,242	7,662	1,486	42,390
25%Discount	25.00%	0	848	2,138	3,836	4,736	3,354	1,627	1,431	142	18,112
Empty Property Zero Discount <2Y	0.00%	0	48	83	231	247	170	103	132	39	1,053
Second Homes	0.00%	0	95	60	120	196	163	81	106	63	884
Empty Property Premium >2Y	50.00%	0	35	69	30	35	38	25	35	12	279
Statutory 50% Discounts	50.00%	0	4	1	6	7	6	14	33	13	84
Exemptions		0	141	252	212	244	110	74	95	30	1,158
Equivalent property reductions resulting from		0	-240	-814	-1,093	-998	-296	-108	-52	0	-3,601
MOD Properties		0	0	167	114	111	14	10	48	0	463
Total No. of Properties		1	1,735	3,141	8,431	15,262	12,908	8,068	9,490	1,785	60,821
Total Equiv No.		1.00	1,397.49	2,388.79	7,272.07	13,848.22	11,975.49	7,592.37	9,038.57	1,719.00	55,233.00
Ratio to Band D		5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	2	
BAND D EQUIVALENT		0.56	931.67	1,857.96	6,464.07	13,848.21	14,636.74	10,966.76	15,064.26	3,438.00	67,208.23

Tax Base 2018/19 - Band D Equivalents

BAND	A (Entitled to Disabled Relief Reduction)	A	B	C	D	E	F	G	H	TOTAL
Parish										
Bisham	0.00	3.17	2.53	4.44	31.47	106.52	129.02	375.53	85.00	737.68
Bray	0.00	150.43	179.58	187.85	506.24	1,026.45	754.53	1,259.87	142.00	4,206.95
Cookham	0.00	55.57	24.28	139.95	325.12	802.88	461.27	905.25	213.50	2,927.82
Cox Green	0.00	8.25	82.09	172.21	761.06	1,145.42	692.26	215.10	8.00	3,084.39
Datchet	0.00	22.05	51.62	328.36	352.28	450.89	382.33	586.42	31.00	2,204.95
Eton	0.00	10.01	55.28	177.35	564.66	510.23	192.57	229.32	68.00	1,807.42
Horton	0.00	16.62	12.27	54.39	80.31	107.82	110.57	74.52	9.50	466.00
Hurley	0.00	38.62	15.56	49.47	149.07	174.62	109.11	355.42	103.50	995.37
Old Windsor	0.00	20.33	44.12	146.43	391.22	812.95	396.73	528.17	70.50	2,410.45
Shottesbrooke	0.00	1.83	0.78	1.56	6.52	18.03	8.67	21.25	13.50	72.14
Sunningdale	0.00	28.83	30.84	104.20	408.26	457.69	461.44	895.87	943.50	3,330.63
Sunninghill	0.00	120.18	85.46	330.18	870.30	858.51	1,163.44	2,062.68	941.00	6,431.75
Waltham St Lawrence	0.00	12.76	4.86	16.95	55.67	122.39	85.93	282.63	81.50	662.69
White Waltham	0.00	32.27	57.07	97.64	296.66	287.01	127.60	308.33	45.50	1,252.08
Wraysbury	0.00	33.52	36.22	49.96	227.69	274.07	485.93	931.35	121.50	2,160.24
UNPARISHED										
Maidenhead	0.56	171.05	710.79	3,309.07	4,780.10	4,058.96	3,538.72	4,149.43	345.50	21,064.18
Windsor	0.00	206.18	464.61	1,294.06	4,041.58	3,422.30	1,866.64	1,883.12	215.00	13,393.49
	0.56	931.67	1,857.96	6,464.07	13,848.21	14,636.74	10,966.76	15,064.26	3,438.00	67,208.23
Valuation changes in year 2018/19										
		33.34	37.40	288.89	82.84	78.22	122.05	98.76	8.00	749.50
	0.56	965.01	1,895.36	6,752.96	13,931.05	14,714.96	11,088.81	15,163.02	3,446.00	67,957.73
Deduct Non-Collection Rate of .50%	0.00	4.82	9.47	33.76	69.66	73.55	55.44	75.83	17.27	339.80
COUNCIL TAX BASE	0.56	960.19	1,885.89	6,719.20	13,861.39	14,641.41	11,033.37	15,087.19	3,428.73	67,617.93

Local Tax Base 2018/19						
PARISH	Band D Equivalents	ADD Valuation Changes in 2018/19	LESS Non Collection Allowance	Local Tax Base 2018/19	Local tax Base 2017/18	Change
Bisham	737.68	1.67	-3.70	735.65	731.07	4.58
Bray	4,206.95	9.45	-21.08	4,195.32	4,183.27	12.05
Cookham	2,927.82	10.05	-14.69	2,923.18	2,889.38	33.80
Cox Green	3,084.39	4.78	-15.45	3,073.72	3,070.64	3.08
Datchet	2,204.95	18.67	-11.12	2,212.50	2,193.73	18.77
Eton	1,807.42	2.22	-9.05	1,800.59	1,778.20	22.39
Horton	466.00	-	-2.33	463.67	461.71	1.96
Hurley	995.37	6.44	-5.01	996.80	997.75	0.95
Old Windsor	2,410.45	4.45	-12.07	2,402.83	2,361.98	40.85
Shottesbrooke	72.14	2.92	-0.38	74.68	70.66	4.02
Sunningdale	3,330.63	106.55	-17.19	3,419.99	3,423.44	3.45
Sunninghill	6,431.75	56.46	-32.44	6,455.77	6,333.09	122.68
Waltham St Lawrence	662.69	1.67	-3.32	661.04	665.93	4.89
White Waltham	1,252.08	21.21	-6.37	1,266.92	1,238.77	28.15
Wraysbury	2,160.24	19.45	-10.90	2,168.79	2,142.80	25.99
UNPARISHED						
Maidenhead	21,064.18	276.67	-106.70	21,234.15	20,929.40	304.75
Windsor	13,393.49	206.84	-68.00	13,532.33	13,237.82	294.51
TOTALS	67,208.23	749.50	-339.80	67,617.93	66,709.64	908.29

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Report Title:	Treasury Management Report 2016/17
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet - 14 December 2017
Responsible Officer(s):	Russell O'Keefe, Strategic Director of Corporate and Community Services Rob Stubbs, Head of Finance and Deputy Director of Corporate and Community Services
Wards affected:	"All"

REPORT SUMMARY

1. This report reviews the Royal Borough's treasury management arrangements during 2016/17, as required by the Council's constitution.
2. The Council's treasury management approach aims to deliver an investment return above the chosen benchmark (Bank of England base rate plus 0.25%). This target has been met for the period reported.
3. The Council continues to utilise cash backed reserves to finance its capital spend. The level of capital investment over the next few years will determine how long this approach, which has the twin objectives of reducing credit risk and financing costs, can be maintained.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION:

- i. That Cabinet notes the report.

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 As this report is for information only, decisions are not necessary and options have not therefore been considered.

3 KEY IMPLICATIONS

- 3.1 A successful treasury management approach will ensure the security of the Council's assets whilst meeting the liquidity requirements of the Council and ensuring an investment return that meets the target set in the table below.

Table 1: Investment return target

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
A return that exceeds benchmark (Bank of England base rate plus 0.25%)	<0%	>0%	>0.1%	>0.2%	31 March 2018

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 This report reviews the period from the 1st April 2016 to the 31st March 2017.
- 4.2 The Council receives payments in the form of government grants, council tax and business rates. These funds are invested in either fixed rate loans, cash deposits or money market funds with Council approved counterparties. The list of approved counterparties is known as the "Lending List". There were no changes to the counterparties on the Lending List during the financial year 2016/17. However, Achieving for Children were added to the Lending List following approval at Cabinet on the 28 September 2017. A copy of the Lending List following this approval is attached to this report as Appendix A.
- 4.3 Whilst total funds under management varied throughout the period, 2016/17 ended with the Authority having total funds under management of £2,362,000 (2015/16 was £25,758,000).
- 4.4 Appendix B shows the allocation of funds under management by counterparty type at 31st March 2017.
- 4.5 The investment return benchmark is 0.25% above Bank of England base rate. The Monetary Policy Committee of the Bank of England reduced the Bank of England base rate from 0.50% to 0.25% on the 4th August 2016. This report reviews the treasury management arrangements for the financial year 2016/17, so the increase in Bank of England base rate to 0.50% on the 2nd November 2017 is not included in the benchmark calculation.
- 4.6 The benchmark for 2016/17 has been calculated as an average rate as the base rate reduction occurred part way through the year.
- 4.7 The investment return for 2016/17 was 0.62% compared to the benchmark of 0.59%.
- 4.8 The return on the prepayment of Pension Fund contributions for 2016/17 was £305,000. This amount is not included in the investment return reported above but it contributes towards budget targets, which were achieved in 2016/17.
- 4.9 The Council has not increased its level of long term external debt during the period. As at 31st March 2017 the Authority's total long term external borrowing was £57,100,000, with an average interest rate of 4.97% for the Public Works Loan Board (PWLB) loans and 4.19% for the Lender Option Borrower Option (LOBO) loans borrowed from Barclays and Dexia. Appendix C shows the Authority's external long term borrowing as

at 31st March 2017. During the course of the year a total of £2,700,000 will be repaid on existing long term loans in the form of interest payments.

4.10 At the end of the financial year 2016/17 the Council borrowed £5,000,000 in the short term. The duration of the loan was one month and it was repaid in full on the 20 April 2017.

5 LEGAL IMPLICATIONS

5.1 In producing and reviewing this report the Council is meeting legal obligations to manage its funds properly.

6 RISK MANAGEMENT

Risks	Uncontrolled Risk	Controls	Controlled Risk
That a counterparty defaults on repayment of a loan resulting in a loss of capital for the Council	MEDIUM	Loans are only made to counterparties on the approved lending list. The credit ratings of counterparties on the lending list are monitored regularly	LOW
That funds are invested in fixed term deposits and are not available to meet the Council's commitment to pay suppliers and payroll.	MEDIUM	A cashflow forecast is maintained and referred to when investment decisions are made to ensure that funds are available to meet the Council's commitment to pay suppliers and payroll.	LOW

7 POTENTIAL IMPACTS

7.1 None.

8 CONSULTATION

8.1 Comments from Overview and Scrutiny Panels, if available, have been included below.

9 TIMETABLE FOR IMPLEMENTATION

9.1 This section is not applicable.

10 APPENDICES

Appendix A – Approved Lending List

Appendix B – Summary of Funds Invested

Appendix C – External Long Term Borrowing at 31st March 2017

11 BACKGROUND DOCUMENTS

11.1 Budget Report to Council 21 February 2017

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Councillor Saunders	Lead Member for Finance		
Councillor Rankin	Deputy Lead Member for Finance		
Alison Alexander	Managing Director & Strategic Director Adult, Children and Health Services		
Andy Jeffs	Strategic Director Operations		
Russell O'Keefe	Strategic Director Corporate & Community Services		
Rob Stubbs	Section 151 Officer	03/10/17	

REPORT HISTORY

Decision type: For information	Urgency item? No
Report Author: Rob Stubbs, Section 151 Officer, 01628 796222	

<u>Fitch Ratings</u>	<u>FITCH ShortTerm Rating (note 1)</u>	<u>FITCH Long Term Rating (note 2)</u>	<u>FITCH Outlook</u>	<u>Max. Sum To Be Lent £m</u>
UK				
<u>Government</u>				
Debt Management Office	F1+	AA	Negative	no limit
<u>Banks</u>				
Abbey National Treasury	F1	A	Stable	15
Australia and New Zealand Bank	F1+	AA-	Stable	5
Barclays Bank	F1	A	Stable	15
Clydesdale Bank	F2	BBB+	Stable	15
HSBC (inc HSBC Private Bank)	F1+	AA-	Stable	15
Lloyds Banking Group	F1	A+	Stable	15
National Australia Bank Ltd	F1+	AA-	Stable	5
Royal Bank of Canada	F1+	AA	Negative	5
Royal Bank of Scotland	F2	BBB+	Stable	15
Santander UK	F1	A	Stable	15
Standard Chartered	F1	A+	Stable	15
Ulster Bank	F2	BBB+	Stable	5
<u>Building Societies (max £3m per loan)</u>				
All Building Societies with total group assets greater than £6 billion and FITCH Long term rating of BBB or better				
Coventry	F1	A	Stable	5
Nationwide	F1	A+	Stable	5
Yorkshire	F1	A-	Stable	5
Leeds	F1	A-	Stable	5
Principality	F2	BBB+	Stable	5
Skipton	F1	A-	Stable	5
<u>Local Authorities</u>				
All UK Local Authorities, with the exception of those with reported financial irregularities.				
<u>Money Market Funds</u>				
All money market funds with a Fitch AAA long term credit rating, including:				
Federated Short Term Sterling Prime Fund		AAA		10
Invesco Sterling Liquidity Fund		AAA		10
STANDARD LIFE (IGNIS) Sterling Liquidity Fund		AAA		10
Insight GBP Liquidity Fund		AAA		10
LGIM Sterling Liquidity Fund		AAA		10
<u>Revolving Credit Facility</u>				
AFC				11.7
<u>Financial Services Companies</u>				
Kames Capital (note 3)				1
Legal & General (note 3)				1.5
<u>RBWM associated companies</u>				
Flexible Home Improvement Loans Ltd				0.5
RBWM Property Co. Ltd				1.3

NOTES

1. SHORT TERM RATING

Expectation of timely repayment of financial commitments.

F1+ is most likely to repay on time, **F1** Highest Credit, **F2** Good, **F3** Fair, **B** Speculative, **C** High Default Risk

2. LONG TERM RATING

How likely an institution is to receive support if it runs into significant difficulties.

1 denotes a bank for which support would be extremely likely, **2** High probability of support, **3** moderate probability, **4** limited probability, **5** possible but can't be relied on

3. NO FITCH RATINGS

FITCH ratings are credit ratings which assesses an organisations creditworthiness, i.e. their ability to repay a debt.

The investments with Kames and Legal & General are not debt instruments, so a credit rating is not relevant.

They are investments in equity funds on behalf of the Working Boys Club and Kidwells Park Trust.

Summary of Funds Invested

<u>Counterparty Type</u>	<u>31/03/2017</u> <u>£000s</u>	<u>31/03/2016</u> <u>£000s</u>	<u>31/03/2015</u> <u>£000s</u>
Banks	0	15,000	28,214
Building Societies	0	9,000	9,000
Local Authorities	0	0	0
Money Market Funds	500	0	5,000
RBWM Trading Companies	1,862	1,758	0
Total	2,362	25,758	42,214

External Long Term Borrowing at 31st March 2017

Fixed Term Borrowing			
	Duration/ Type	Repayment Date	Loan Value £000s
PWLB			
	25yrs/Maturity	25/09/2021	785
	25yrs/Maturity	08/06/2029	7,500
	26yrs/Maturity	25/09/2029	2,500
	26yrs/Maturity	23/09/2030	10,000
	25yrs/Maturity	08/12/2030	5,000
	30yrs/Maturity	25/09/2033	5,000
	45yrs/Maturity	08/12/2050	5,000
	45yrs/Maturity	08/12/2050	5,000
	60yrs/Maturity	25/03/2055	1,600
	60yrs/Maturity	25/09/2055	1,000
	60yrs/Maturity	25/03/2056	400
	60yrs/Maturity	25/09/2056	265
Total Fixed Term Borrowing			44,049

ANALYSIS OF PWLB RESIDUAL MATURITY @ 31.3.17		
Maturing Within	Amount £000s	Average Rate
1 Year	0	0.000%
1 to 2 Years	0	0.000%
2 to 5 Years	785	8.000%
5 to 10 Years	0	0.000%
10 to 15 Years	25,000	4.790%
15 to 20 Years	5,000	4.800%
20 to 25 Years	0	0.000%
25 to 30 Years	0	0.000%
30 to 35 Years	10,000	4.200%
35 to 40 Years	3,265	8.184%
40 to 45 Years	0	0.000%
TOTAL	44,049	4.966%

LOBO Loans at 31st March 2017

Fixed Term Borrowing			
	Duration/ Type	Repayment Date	Loan Value £000s
LOBO			
Barclays	60yrs/15yrs fixed, 6mth LOBO	19-Jul-66	5,000
Dexia	35yrs/5yrs fixed, 5yr LOBO	26-Jan-43	8,000
Total Fixed Term Borrowing			13,000

ANALYSIS OF LOBO RESIDUAL MATURITY @ 31.12.16		
Maturing Within	Amount £000s	Average Rate
5 to 30 Years	8,000	4.190%
30 to 55 Years	5,000	4.190%
TOTAL	13,000	4.190%

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Report Title:	RBWM Property Company Ltd – Update Report – November 2017
Contains Confidential or Exempt Information?	NO
Member reporting:	Cllr Rankin – Lead Member for Economic Development and Property
Meeting and Date:	Cabinet Regeneration Sub Committee – 12 December 2017.
Responsible Officer(s):	Russell O’Keefe – Executive Director &
Wards affected:	All

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REPORT SUMMARY

1. The report provides an operational update on RBWM Property Company Ltd covering:
 - Delivery plans and business plan
 - Key performance indicators
 - Governance
 - Human resources
 - Value for money/added value
 - Health and safety
 - Vacant properties/nominations
 - Development programme update.
2. Delivery Plans has been established, for 2017/2018 targeting key tasks and milestones. A detailed review of the overall business plan is being undertaken and will be presented to Cabinet Regeneration approval.
3. The Company is projecting a net surplus of £82,000, before expected dividend to the council of £75,000. Savings will be recorded where RBWM Prop Co, can demonstrate a clear savings to the Council, by reviewing scope of services in place and carrying out work directly. Currently, a confirmed saving of £175,000 has been identified.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet Regeneration Sub Committee notes the report and:

- i) Considers the update report and planned work.

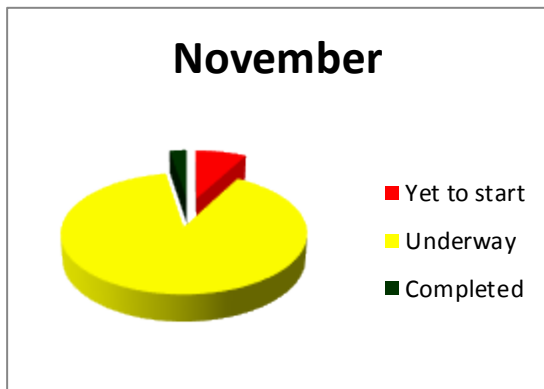
2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 Operational reports go to the RBWM Prop Co board on a monthly basis, and include all key elements of business operations. The latest position is summarised in this report.

Delivery Plans and Business Plan

2.2 Delivery Plans have been established for the remainder of 2017/2018 financial year to enable the company to focus on key milestone and outputs that need to be completed by March 2018. Progress is summarised in table 1 below.

Table 1: Delivery of key milestones and outputs 2017/18



Task	%
Yet to Start	8%
Underway	89%
Completed	3%
Total	100%

2.3 In December 2017, the Company will seek to start to establish the delivery plan for 2018/2019, which will be for a full financial year. A detailed review of the Property Company Business Plan is being undertaken and a revised business plan will be presented in the next update to Cabinet Regeneration Sub-committee approval.

Key performance indicators (KPIs)

2.4 A set of KPI's will be established for 2018/2019, as part of the 2018/2019 delivery plans. Alongside this the Company is establishing a set of KPI's for the managing agents Housing Solutions and a suite of KPI's to accompany the service level agreements for internal service provision of finance, human resources and property services.

Governance

2.5 The existing company structure for RBWM Prop Co, is currently limited to one company, that is Ltd but not Vat registered. This is due to the fact that this company holds assets for rent, and rental income is not a vatable supply.

2.6 To strengthen the skills and experience on the company board, a professional recruitment process has been undertaken for Non-executive directors and local stakeholders who could be potentially co-opted to the board. These appointments will be formally recommended to the Board and agreed in liaison with the lead member.

Human resources

2.7 A staffing structure was approved at the RBWM Prop Co Board meeting on 24 October 2017. Interviews have taken place, and offers made and accepted for an Operations Manager and Head of Land & Acquisition. This appointment will provide enhanced capacity to deliver the work programme and reduce the need for external consultants.

Value for money/added value

2.8 An in-depth review of the scope of services being offered by Savills for the procurement services for Maidenhead Golf Course has resulted in an initial saving of £175,000, on the overall fee proposal. Further savings under this contract are expected to be identified.

Health and safety

- 2.9 The company currently own 11 properties. Properties are 100% compliant in all the following areas:
- Asbestos
 - Legionella
 - Landlord Gas Safety (LGSR) – CP12
 - EPC (Energy Performance Certificate)
 - Electrical Testing

Vacant properties

- 2.10 The company currently has five vacant properties, two in York Road, and three x 3b refurbished properties recently handed over to the property company. The company are in receipt of nominations for all five properties from the Council's housing service for key workers and those in housing need. Potential tenants are currently undergoing credit checks, and viewings are taking place. The company is targeting signing of tenancy agreements by early December.

Development programme update

- 2.11 A list of all projects that are currently underway, and require input, guidance, advice and management by RBWM Property Co Ltd have been brought together into an initial overall development programme. This has been divided into four key categories, in order to review better on a monthly basis, and also, to keep track of progress. The work streams have been divided into:
- Potential development programme
 - Joint venture programme
 - Development consultancy
 - Enabling provision
- 2.12 Three of these categories specifically target the provision of housing across the borough and one category identifies development consultancy work on special capital projects that require delivery on behalf of the Council.
- 2.13 The Potential Development Programme identifies 15 sites that may be suitable for redevelopment to residential use. Due diligence and research needs to be carried out, in terms of massing, density and feasibility in order to ascertain if these site would be suitable to take forward for redevelopment. Sites that are in the short term category are currently under investigation. This totals four sites, two of which are listed in 2.16 below.
- 2.14 The units identified in this programme currently are being assessed on a private rented sector (PRS), Subsidised PRS to support affordability, or Shared Ownership basis, with a priority focus for key workers.
- 2.15 In 2.16 the base assumptions are set out on two sites that have been initially appraised. The base assumptions are at a conservative level at this stage, until such time that further due diligence can be undertaken and risk and costs better understood. The appraisals have been undertaken on the basis of a site visit and desktop appraisal. Further research will assist with better informed sales values, build costs, and rent levels. However, we believe that we have the ability to both increase sales values and decrease build costs with a better understanding of the key implications of each site. Finance costs have currently been applied at 5%.

2.16 Final scheme appraisals and full investment reports will be brought back to Cabinet Regeneration Sub-committee for approval to proceed in the next update including proposals for subsidised rent levels to increase affordability where applicable.

Brockets, Boyn Hill Avenue, Maidenhead SL6 4EY

- Sales Value assumed at £580 sq.
- Build Costs assumed at £215 sq. (£2,300m2) and have been based on a major conversion of a grade II listed building and an additional new build property.
- Rent Levels range from £1,550-£2,200 per month for private rent.

St Edmunds House, Ray Mill Road West, Maidenhead SL6 8SB

- Sales Value assumed at £500 sq. ft.
- Build Costs assumed at £232 sq. ft. (£2,500m2) and have been based on demolition of two buildings, and the new build of a Ground plus 2 story flatted scheme.
- Rent Levels range from £880-£1,100 per month for private rent.

2.17 In regards to the joint venture programme there are currently five sites, four of which sit within the Royal Borough Development Partnership Joint Venture (JV) with Countryside and the Golf Course JV for which a procurement process has just commenced.

2.18 A further site at Ray Mill Road East is currently being discussed with Cala Homes. This is for minimum of 78 units brought forward by Cala Homes with 20 properties built out for affordable rent and transferred to the Prop Co on completion. Key issues with the Environment Agency (EA) regarding flood risk have substantially delayed the project. Cala are in discussions with EA which are due to conclude by end of November 2017.

2.19 The key to unlocking these projects is around vacant possession of sites, provision of parking and major infrastructure. The Prop Co will lead on these areas on behalf of the Council, along with bringing a holistic approach and vision to the emerging new town centre, in order to make sure that regeneration is delivered and is sustainable. Detailed site proposals will be brought to Cabinet Regeneration Sub-committee for approval.

3 KEY IMPLICATIONS

3.1 Further due diligence is required along with a full investment report, before substantial financial commitment could be given to any of the projects in the potential development programme. An Investment report would be produced with set budgets, outputs and key milestone. These would include SMART objectives, and would need to be included in the overall work commitment to the Council.

Table 2: Key implications for three sites in potential development programme

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Planning Submission	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Sept 2018
Resolution to	Not	Achieved	Achieved	Achieved 2	Dec 2018

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Grant	secured	by key milestone	within key milestone	months prior to key milestone	
Start on Site	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Feb 2019
Budgets	Over budget	On budget	Within budget	Outperforms by 10% of more	Ongoing
Practical Completion	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	Feb 2020- Feb 2021
Letting or sales of Properties	Not secured	Achieved by key milestone	Achieved within key milestone	Achieved 2 months prior to key milestone	March 2020- March 2021

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The overall financial monitoring report for month ending October 2017/18 shows projected rental net income of £7,000, administration costs including RBWM SLA charges and establishment and operating costs of £252,000.
- 4.2 Funding is recognised in the form of RBWM management charge of £225,000 and approximately £110,000 from a Development Partnership agreement.
- 4.3 A net surplus is projected of £82,000, before expected dividend to the council of £75,000
- 4.4 RBWM Prop Co would deliver projects on behalf of the Council based on admin and development fees within project costs, these costs would be capitalised. This would reduce the need for an over reliance on external consultants, who would only be appointed for specialist advice, such as formal valuation, Architects, Quantity Surveyors, Civil and Structure Engineers etc.

Table 3

REVENUE	2017/18	2018/19	2019/20
Addition	£0	£0	£0
Reduction	£75,000	£0	£0
Net impact	£75,000	£0	£0

CAPITAL			
Addition	£0	£0	£0

Reduction	£109,000	£66,000	£0
Net impact	£109,000	£66,000	£0

- 4.5 Sites that have been initially appraised for the potential development programme have been done so, in order to demonstrate an Internal Rate of Return, Debt Repayment Period, Net-yield and where appropriate Sales Receipts.
- 4.6 With further due diligence and research RBWM Prop Co are confident that these scheme could improve in all of the above areas. Hurdle rates that the Council would wish to see in terms of outputs for projects of this type would be proposed as part of the scheme specific investment reports. These will be brought back to Cabinet Regeneration Sub-committee for approval in the next update.

5 LEGAL IMPLICATIONS

- 5.1 The Council has the authority to commission RBWM Prop Co to undertake work on their behalf as development agent, to deliver these projects should they wish to proceed. RBWM Prop Co is a wholly owned subsidiary of the Council, and work of this nature would fall under Teckal regulations, and a tendering process would not be necessary.

6 RISK MANAGEMENT

- 6.1 The detailed risks of each scheme would be identified in an investment report, as each scheme has its own risk profile. These risks would include areas of planning, legal title, sales values, build costs, need and demand for the individual property types and tenures. The investment reports would establish exit routes, or alternative solutions to mitigate risk.

7 POTENTIAL IMPACTS

- 7.1 All sites being progressed have the ability to improve and contribute to housing supply in the borough and financial returns to the Council through initial sales receipts and/or long term income streams.

8 CONSULTATION

- 8.1 The operational and Development Programme update report has been to RBWM Board on 21st November 2017.
- 8.2 This will be considered by Corporate Overview and Scrutiny Committee.

9 TIMETABLE FOR IMPLEMENTATION

- 9.1 Potential Development Programme – additional due diligence will be undertaken during January 2018 on the sites, once specialist consultants are appointed. The final investment reports will be brought back to Cabinet Regeneration Sub-committee in the next update.
- 9.2 A copy of the current overall timetable for the Royal Borough Development Partnership with Countryside is set out below:

Table 3: Royal Borough Development Partnership Programme

Site Number	Site Name	Est planning Submission	Potential SOS	Potential PC
2	York Road Sector, Maidenhead, SL6 1RF PhaseI	Mar-18	Sep-18	Oct-20
	York Road Sector, Maidenhead, SL6 1RF PhaseII	Mar-18	Sep-18	Mar-21
	York Road Sector, Maidenhead, SL6 1RF PhaseIII	Mar-18	Sep-18	Jun-21
3	West Street, Maidenhead,	Sep-18	Mar-19	Nov-21
4	St Clouds Way, Maidenhead	Jan-19	Sep-19	May-21
5	Reform Road, Maidenhead,	Jun-20	May-21	Dec-22

9.3 The current overall programme for the Maidenhead Golf Course OJEU Process is set out in table 4.

Table 4: Maidenhead Golf Course OJEU Process

Activity	Target date
Stage One	
OJEU Notice published	4 November 2017
Estates Gazette Advert	4 November 2017
Bidder Briefing	10 November 2017
SQ submission deadline	4 December 2017
Notification of Longlist	22 December 2017
Stage Two	
Invitation to Participate in Dialogue issued	3 January 2018
Briefings and Interim Dialogue Meetings	January 2018
Submission of Outline Solutions	14 February 2018
Notification of Shortlisting	7 March 2018
Stage Three	
Invitation to Continue Dialogue issued	9 March 2018
Dialogue Meetings	March - May 2018
Invitation to Submit Final Tenders Issued	May 2018
Submission of Final Tenders	June 2018
Notification of Preferred Bidder	July 2018

10 APPENDICES

Appendix A – Existing properties within company.

11 BACKGROUND DOCUMENTS

Not applicable

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Councillor Rankin	Lead Member for Economic Development and Property	26.11.17	26.11.17
Alison Alexander	Managing Director	26.11.17	26/11/17
Russell O'Keefe	Executive Director	22.11.17	24.11.17
Andy Jeffs	Executive Director	26.11.17	
Rob Stubbs	Section 151 Officer	22.11.17	
Terry Baldwin	Head of HR	26.11.17	
Mary Kilner	Head of Law and Governance	26.11.17	
Louisa Dean	Communications and Marketing Manager		
	Other e.g. external		

Appendix A – Existing properties within company

Property Type	No Of units	Tenure	Percentage of M. Rent	Rent Per month	Occupation	Occupant status
1b2p F	6	Market Rent	100%	£900	Occupied	Non Key Worker
3b4p F	2	Affordable Rent	80%	£880	Vacant	Key Workers Nominated
1b2p F	2	Affordable Rent	80%	£720	Vacant	Key Workers Nominated
3b5p H	1	Local Housing Allowance	70%	£1,061	Vacant	Key Workers Nominated
Total	11					

Nominations have been made to key workers in social services and the armed forces.

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