

Minutes of the Finance Board
Thursday 19 May 2022
10:30am, Council Chambers/ Microsoft Teams

Attendees:

Margaret Lee – *Finance Commissioner (chair)*

Max Caller – *Lead Commissioner*

Lucy Storr – *Deputy Chief of Staff to the Commissioners*

Cllr Dexter Smith – *Conservative Group Leader*

Steven Mair – *Deputy Chief Executive & S.151 officer*

Richard West – *Executive Director of Customer and Community*

Guests:

Cllr Swindlehurst – *Council Leader*

Phil Brookes – *Crown Representative, Cabinet Office (attended virtually)*

Apologies:

Gavin Jones – *Assistant Commissioner and Head of Paid Service*

Cllr Rob Anderson – *Cabinet Lead for Finance (deputy chair)*

Andrew Fraser – *Executive Director of Children's Services*

Marc Gadsby – *Interim Executive Director of People (Adults)*

Claire Willerton – *Chief of Staff to the Commissioners*

Meeting Minutes:

1. Welcome and declaration of interests

1.1 Margaret Lee welcomed attendees. No interests were declared.

2. Minutes and actions of the Previous Meeting

2.1 The minutes of the 20 April meeting were approved.

3. Finance Recovery Plan Summary

3.1 Steve Mair introduced the item, outlining the intention to close ageing actions as a priority and the importance of using audit as a proactive rather than reactive service.

3.2 He then ran through brief updates on the capitalisation programme and noted that budget papers were expected to be complete in the next week and to be tabled for June Council.

3.3 Steve also gave a brief overview of the disposals program and informed the Board that the 18/19 revenue budget was due to go the external auditors w/b 23rd of May, noting the auditor's

previous lack of capacity and ongoing internal challenges with the lack of documentation and institutional knowledge.

- 3.4 Margaret Lee flagged the 16 overdue high risk external audit actions, expressing the view that these indicated a control risk that teams may need support to resolve.

Action: Steve Mair to share a list of what the 16 high risk external audit actions are with Margaret Lee.

- 3.5 Cllr Smith asked about the figures in the asset disposal programme and the associated data cleansing efforts. Max Caller explained that figures in the papers were as per the capitalisation programme requirements and that he had set a higher target internally to try to reduce the debt burden as swiftly as possible. Steve Mair added that using capital receipts to reduce MRP was a separate process to the capitalisation programme, so if higher values were achieved this financial year they could be used to reduce council borrowing. Max added that data cleansing has been a vital part of the programme, thanked Richard West's team for their hard work, and explained that the Monitoring Officer has set up a bulk registration agreement with the Land Registry which has made the process much more efficient.
- 3.6 Cllr Swindlehurst expressed the view that receipts may be higher if land can be sold for commercial use rather than housing, recognising the rise in demand for logistics space.
- 3.7 Steve Mair went onto mention the risks to the 23/24 budget and the inflationary pressures on the 22/23 budget. He also highlighted that a revised Finance team structure is due to go to Cabinet on 20 June, and that conversations with trade unions continue to support these efforts.
- 3.8 Margaret Lee closed the item, noting the risk elements of the conversation and the significant budgetary challenges which may arise from increases in the cost of living.

4. 18/19 Accounts Update

- 4.1 Steve Mair added to his previous update, noting that there would be a Cabinet report on the 18/19 accounts in due course and that there are expected to be changes to the capitalisation direction number for the year. He confirmed that there would be further engagement with the Department of Levelling Up, Housing and Communities (DLUHC) about this as necessary.
- 4.2 Steve also noted that future years' accounts are expected to go more smoothly as lessons from 18/19 can be applied to future years.

5. 2022/23 Budget

- 5.1 The 2022/23 budget was discussed, with particular focus on areas at risk of overspend.
- 5.2 Margaret Lee asked if any savings in the Place division could be brought forward; Richard West outlined the challenges of getting Cabinet approval and mobilising officers to do the work. Steve Mair confirmed that proposals for changes to garden waste were going to members w/b 23rd May.
- 5.3 Steve Mair went on to note the high inflation rate and the knock-on impact this may have on the cost of services and salaries, explaining that financial risk for 22/23 needs to be actively managed. He went on to give an overview of the current financial position of each department, noting the current overspend and highlighting that Slough Children First (SCF) continues to be a significant area of concern.

- 5.4 Margaret Lee explained that there is no assumption that SCF risk comes through to Slough Borough Council. Max Caller added that the agreement in place between SCF and the council includes a mechanism to formally increase the budget, and that discussions are ongoing with SCF and the Department for Education Commissioner about the need for rigorous financial control within SCF.
- 5.5 Cllr Swindlehurst added further context around SCF, highlighting that there had been ongoing challenges with setting and keeping to an annual budget in previous years. Margaret Lee explained that the Department for Education (DfE) intend to do a review of the SCF business plan to ensure that these challenges are addressed going forward.
- 5.6 Steve Mair noted that SCF have presented a revised business case which is pending SCF Board sign-off and pointed the group towards the additional written updates for more information. He also reminded the Board about the loan of £5m from the council to SCF and referenced the earlier conversation about potential additional pressures on services as well as his intent to discuss this further with SCF leadership. Max Caller added that sufficient notice was given to organisations to prepare for the National Insurance increase, and that the Commissioners would need to give consent for any changes to loan arrangements with SCF.
- 5.7 Steve Mair updated the group on children's services managed within the council including ongoing discussions about potential savings, as well as efforts to reduce spend in the Place division including the possibility of letting office space to other organisations and working to mitigate the rising cost of energy.
- 5.8 Margaret Lee asked about plans to mitigate the current overspend in the Place division; Richard West responded that proposals are being worked on for changes to waste collection but that further support from Finance was needed to finalise these.

Action: Richard West to share proposals for mitigating the Place overspend by the end of Q1 2022/23

Action: Richard West to share further detail on the potential income opportunities and arrangements that would need to be in place to rent office space for a short time period to a local business.

- 5.9 Cllr Swindlehurst asked about the potential for existing leaseholders to extend leases to help raise funds for the council; Richard West responded that this option would form part of the let estate project if resources allow.
- 5.10 Steve Mair drew the groups attention to the cross-cutting proposals listed at the end of the report.

6. Draft 2023/24 budget

- 6.1 Steve Mair gave an overview of the 2023/24 budget noting the current gap in the savings target and outlined plans for resolution, highlighting the SCF business plan mentioned earlier in the meeting and ongoing work with Children's, Adults and Place teams.
- 6.2 Cllr Swindlehurst flagged THAT members had asked for proposals on home to school transport savings last year and that sign-off had been given for children's centre savings in 2021/22 but that these had not yet been realised.

7. Procurement Project Update

- 7.1 Margaret Lee confirmed that a more detailed update would be given in the June Finance Board as the review had not yet concluded. She explained that some opportunities for reducing spend on existing contracts within divisions have been identified, that cross-cutting work will take place once each area has reviewed its contracts separately, and that the team would report to Cabinet appropriately.
- 7.2 Cllr Swindlehurst highlighted a print contract that was due for renewal two years ago.

8. Disposals Board Update

- 8.1 Max Caller updated the group on progress to date, thanking Phil Brookes and council teams for their support. He noted his intention to produce a dashboard to more clearly track delivery of the work and outlines plans to market out-of-borough sites in consultation with Cllr Anderson and Richard West more clearly.
- 8.2 Cllr Swindlehurst mentioned his earlier proposal to sell sites for commercial rather than housing development. Max responded that best value principles mean that the council has to properly consider proposals as they come forward, and that the consultant had signalled that offers relying on consent which was not yet granted should be avoided; Phil Brookes added that the potential for using existing sites for temporary purposes is also being considered as part of the project.
- 8.3 Max also explained that rent arrears have been allowed to build up on the let estate during the Covid-19 pandemic, and that information on this is included in the finance update going to the 19 May Council meeting. He added that a report is due to go to June Cabinet setting out the forward plan for the project, noting his view that members should have more input into some proposals and the potential for a disposals sub-committee.
- 8.4 Cllr Swindlehurst shared his thoughts on Nova House, expressed his frustration with past attempts to draw together an asset register, and mentioned that a commercial committee had existed previously. Max Caller agreed with James, and noted his intention to bring these areas to the subcommittee when set up.

Action: Lucy Storr to follow-up with HP Law about the terms of the previous commercial subcommittee.

- 8.5 Cllr Smith asked if covenants are emerging as an issue; Max responded that they are not, but that they are part of the data cleanse work.

9. AOB

- 9.1 No other business was raised.

9.2 The meeting ended at 12:07.

Ref: SBC/FB/04