

Minutes of the Finance Board
Thursday 9 June 2022
10:30am, Council Chambers/ Microsoft Teams

Attendees:

Commissioners:

Margaret Lee – *Finance Commissioner (chair)*
Max Caller – *Lead Commissioner*

Members:

Cllr Rob Anderson – *Cabinet Lead for Finance (deputy chair)*
Cllr Zaffar Ajaib - *Lead for Customer Services, Procurement & Performance*
Cllr Dexter Smith – *Conservative Group Leader*

Secretariat:

Lucy Storr – *Deputy Chief of Staff to the Commissioners (secretariat)*

Officers:

Andrew Fraser – *Executive Director of Children’s Services*
Marc Gadsby – *Interim Executive Director of People, Adults (attended virtually)*
Steven Mair – *Deputy Chief Executive & S.151 officer*
Richard West – *Executive Director of Customer and Community*

Guests:

Phil Brookes – *Crown Representative, Cabinet Office (attended virtually)*
Debbie Knopp - *Strategic PMO Support (attended virtually)*

Apologies

Gavin Jones – *Assistant Commissioner and Head of Paid Service*
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. Updated Finance Board Terms of Reference

2.1 The membership updates were agreed with no objections.

3. Minutes and actions of the Previous Meeting

3.1 The minutes of the 19 May meeting and action updates were approved.

4. Finance recovery plan – update on outstanding high priority actions

4.1 Steve Mair drew the Board's attention to the additional detail of high priority overdue internal audit report actions included in the papers and noted revised due dates.

4.2 Cllr Anderson asked if Steve Mair needed support from members to drive the necessary culture change within the organisation; Steve responded that progress had been made and that reiteration of the importance of complying with internal audit actions in meetings with officers would be helpful.

4.3 Max Caller flagged that it would be useful to consider audit actions in terms of risk level rather than in their current structure and suggested inviting the Audit Committee to have a focussed session on all high-risk overdue actions in the council. Margaret Lee supported this.

4.4 Margaret Lee also asked that a regular monthly report on outstanding audit recommendations should be brought to the Finance Board.

4.4.1 Actions:

- Lucy Storr to ask the Monitoring Officer to invite the Audit Committee to have a focussed session on high-risk overdue audit actions.
- Lucy Storr to add Internal Audit Reports – outstanding recommendations to the Finance Board standing agenda.

5. 18/19 Accounts Update

5.1 Steve Mair ran through a presentation setting out the current progress of 18/19 accounts, reminding the Board that this is expected to be a lengthier process than following years as errors will be identified which can be corrected for future years.

5.2 Cllr Smith asked if income had been impacted by revisions to the accounts; Steve Mair confirmed this. Margaret Lee added that impacts of incorrect capitalisations are being worked through, and that this may also impact upon current assessments of the value for money of services.

5.3 Max Caller asked if the staff restructure had reduced overspend on the capital account; Steve confirmed that staff are now being correctly charged to revenue rather than capital, but that the expected savings from the restructure had not all materialised as originally intended.

5.3.1 Action: Revise value for money assessments of services using updated financials after 23/24 accounts are closed.

5.4 Cllr Anderson asked about the changes to 18/19 accounts due to bad debts and ratings appeals; Steve Mair confirmed that a longer-term piece of work is needed to assess impacts of these on the budget.

5.5 Steve Mair went on to highlight the process improvements underway, plans for staffing the Finance team, necessary updates to the annual governance statement and the forward plan for finalising accounts for future years.

5.6 Margaret Lee emphasised the importance of producing accounts, having confidence in them, and being able to use them to better understand how well services are being delivered. She thanked the team for their hard work to date and noted the extent of corrections needed.

5.7 Phil Brooks asked if consideration had been given to changing auditors noting current resourcing pressures; Steve Mair responded that this was not being considered. Max Caller added context around the challenges of local government audit across the sector.

5.8 Cllr Ajaib asked if revised property evaluations were going to impact upon the budget; Steve Mair responded that sales would need to be made before this was assessed – sales receipts would be determined by the market. Max noted that a disposals update was scheduled for later in the meeting and signalled his intent to set up a Cabinet sub-committee to improve transparency and speed of decision making.

5.9 Max Caller also highlighted his view that good governance practices are not always being followed particularly in relation to company governance, giving adequate advice to the shareholder representative, managing conflicts of interest, and informed the Board that the make-up of the Slough Children First (SCF) Board was being reviewed as it is currently not quorate.

5.10 Cllr Anderson asked if there had been any significant changes in accounting practices which had not been picked up by the finance team; Steve Mair responded that more detailed training is being implemented to ensure that up-to-date processes are followed, and that enhanced training forms a key part of the revised package to make roles in the finance team more attractive to potential candidates.

6. 2022/23 Budget update

6.1 Steve Mair ran through an overview of progress of the 22/23 budget, noting that SCF) are working to a different timeline and that multiple savings targets are at risk.

6.2 Cllr Smith asked about potential changes to waste collection; Margaret Lee reminded the group that the Board was non-political, and that worked-up proposals would go to Cabinet as appropriate.

6.3 Cllr Smith also asked if bringing forward savings was still a priority; Margaret Lee responded that officers are considering what is possible and that plans would go to Scrutiny and Cabinet when ready.

6.4 Richard West confirmed that further work was needed to determine potential estate and resource savings.

6.5 Andrew Frasier informed the Board that the review of the SCF business case was underway, that they are working with the Department for Education on cashflow challenges, and that investment was needed before significant savings would be seen in children's services.

[The meeting paused at this point while a fire alarm test was conducted.]

6.6 Marc Gadsby noted that he was working closely with the Finance team on savings and was ensuring that fulfilling the council's statutory duties in Adult services and maintaining wellbeing remain his key priorities.

6.7 Margaret Lee indicated that Slough Borough Council needs to consider risks and their mitigation more thoroughly and that further discussion of resourcing across the council would be helpful.

6.7.1 Action: Lucy Storr to add resourcing across Slough Borough Council to the Improvement and Recovery Board forward agenda.

6.8 Andrew Frasier added further context to the Children's services update, noting the importance of early help and his intention to improve this and edge-of-care services while in post, as well as his willingness to listen to feedback on the business plan. Margaret Lee noted that she has been working constructively with the SCF finance lead and that she needs further confidence in their ability to deliver on plans before agreeing further investment.

6.9 Richard West added context to savings challenges in the Place division, noting that they had recently had a number of Finance business partners, and outlining areas of potential revenue under consideration. He added detail of assumptions around fees and charges and areas of projected overspend, noting that savings solutions needed to be permanent to avoid rolling overspend into future years.

6.10 Max Caller reiterated to the group that any additional spend needs permission from Cabinet, the Section 151 Officer and Commissioners, and emphasised the challenges of rising staff and energy costs in a council with no reserves.

6.11 Margaret Lee concluded the item, stating that further work is needed to mitigate current overspend projections and to meet savings targets.

6.12 Cllr Smith asked about processes to manage the energy bill rebate in Slough; Steve Mair responded that practices are in line with other councils.

7. Update on the central contracts register (CCR) project

7.1 Margaret Lee updated the group on the contract review process, noting that meetings had been positive and identified areas of potential savings in a number of areas as well as opportunities to combine existing contracts.

7.2 Margaret mentioned that the Children's contract meeting had not yet gone ahead: Andrew Frasier agreed to prioritise finding time for this.

7.3 Margaret concluded that she was hoping to finish this round of meetings by the end of July and bring a fuller update to the August Finance Board.

7.3.1 Action: Lucy Storr to schedule a contract register update for August and invite the project lead to present.

7.4 Cllr Ajaib stated that it was very helpful to see progress, a risk register, and where savings could be made.

7.5 Margaret Lee noted that a project plan will be drawn up to take forward the next stage of this work.

8. Disposals Board Update

8.1 Max Caller informed the Board that a report from the external agency supporting disposals work is expected in the next few weeks and that the current capitalisation target is very challenging in terms of both quantum and timescale. He noted that a further report is due to go to the next Cabinet to set out the overall context and to outline arrangements for the sub-committee mentioned previously.

9. Short term rental of office space analysis

9.1 Richard West followed up on his action from the May Finance Board, outlining actions required to offer space in Observatory House to external companies and ongoing discussions with the potential occupants about terms and prices. Richard informed the Board that Cabinet would be notified but does not need to approve this type of activity. Max Caller noted that this was the type of property activity that the sub-committee he intends to set up could look at in more detail.

10. AOB

10.1 No other business was raised.

10.2 The meeting ended at 12:22.

Ref: SBC/FB/05