

Minutes of the Finance Board
Thursday 21 July 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*
Claire Willerton – *Chief of Staff to the Commissioners*

Officers:

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

Guests:

Cllr James Swindlehurst - *Council Leader and Lead for Council Recovery, Forward Strategy & Economic Development*
Debbie Knopp - *Strategic PMO Support (attended virtually)*
Claire Priest – *Central Contracts Register Project Lead (attended for item 4 only)*

Apologies

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

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 16 June meeting were approved and actions updated as per the log (see appendix).

3. Budget Update

3.1 Steve Mair confirmed that the external audit of 2018/19 accounts has begun with officers meeting auditors weekly. He flagged that the capitalisation figure is likely to change from the original submission and that this will be discussed with the Department of Levelling Up, Housing and Communities (DLUHC) once finalised. Steve reminded the Board that future audits are expected to take less time as the team are applying lessons as they are fed back.

3.2 Steve Mair also outlined the Safety Valve programme run by the Department for Education (DfE) had a kick-off meeting on 14 July. The programme aims to bring overspend in the Dedicated Schools Grant (DSG) down to a balanced in-year position; Steve noted that it is likely to take several years to do this.

3.3 Margaret Lee stressed the importance of DfE having confidence in delivery of the action plan which would be an output of this work, including in the leadership team.

Action: Lucy Storr to add the DSG Safety Valve to the standing agenda for the Finance Board.

3.4 Andrew Frasier echoed this and noted that DfE are already aware of significant capacity issues from their recent work on SEND services.

3.5 Cllr Anderson asked for more information on the impacts of making savings to services and noted that many other authorities are overspending on DSG. Andrew Frasier responded that they are aiming to move to earlier interventions so that less formal arrangements can be agreed on, make in-borough schools more inclusive, and use partner organisations more effectively – particularly noting the NHS Speech and Language services. Margaret Lee added that commissioning needs to be much better. Steve Mair added that people may also see changes to the service they are given, focussing on what needs are rather than past expectations.

3.6 Margaret Lee noted that the 18/19 figures for capitalisation are likely to exceed the original gap and so need either further capitalisation or additional savings to bring the year back into balance.

3.7 Margaret asked for confirmation that charges from the general fund to the HRA fund had been reviewed: Steve Mair did so, noting that any concerns are already included in the capitalisation plan though his team have not yet gone through HRA in detail.

3.8 Steve Mair added that he had been working on a budget monitor, and was going to bring this to Cabinet, Lead Members and the Corporate Leadership Team in September.

- 3.9 Steve stated that there is still around an £8m gap in savings for 2022/23; the team are exploring various corporate initiatives to better collect debts and utilise growth in the tax base. He also mentioned that MRP costs can be reduced if capital receipts can be brought forward, but service savings still need to be explored.
- 3.10 Steve Mair noted that teams are targeting the end of July for completion of business cases and highlighted that a change of messaging is needed internally to better follow the spending control processes and ethos. He outlined the process for procurement, flagging that all proposals have to come through him and Margaret Lee: this is intended as a helpful step as a mini business case can be brought and indicative response given.
- 3.11 Cllr Smith asked about the gap in capitalisation figures and indicated that he was worried that the length of time taking to audit prior years may mean that capitalisation milestones are missed; Steve pointed to the figures in the slide pack of reports for updated capitalisation figures, and Margaret Lee added that discussions with DLUHC are ongoing.
- 3.12 Margaret Lee confirmed with each director that their business cases would be ready as per the 31 July deadline; they all did so, with Richard West noting concerns about quality in the time allowed.
- 3.13 Margaret also asked Steve Mair what would trigger him to lower the procurement threshold for formal approval; he responded that a lack of progress by the end of August would prompt him to consider a change of approach, and that he is discussing current practices with the CLT and officers.
- 3.14 Cllr Anderson asked if Steve Mair knows the magnitude of procurement requests coming in under the £500 deadline; Steve responded that he does not, but that relatively small amounts can add up fast and that it is important to get the right culture embedded into the organisation.

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

- 4.1 Claire Priest outlined progress since the last Finance Board meeting stating that the work to create and review the contracts register has been transformational, creating a better foundation to achieve value for money, better plan for contract negotiations and identify future opportunities to combine contracts. She flagged that around £1.5m of savings have been identified so far.
- 4.2 Claire noted that the Strategic Procurement Review Board was in place to support the work, and that officer communications and training are ongoing to ensure that those who need to are aware of the correct procedures.
- 4.3 Claire confirmed that Slough Children First have been engaged, and that she is working with them to establish their own procedure rules and review their contracts register.
- 4.4 She also noted that there is a lot more work to do to review the register and embed this as part of business-as-usual processes, to upgrade to using the Agresso system, and to see the outcomes of the Finance restructure to ensure that there is necessary expertise in the council to continue efforts.
- 4.5 Margaret Lee added that the Strategic Contract Review Board is giving approval to go to tender earlier in the process so saving resource, and that there are upcoming meetings on SCF, in-house Children's contracts and IT.

- 4.6 Cllr Ajaib stated that meetings which he attended have been very productive, and that moving the register to the Agresso system will help to monitor and add value to the process.
- 4.7 Cllr Smith asked if HP Law are maintaining the contracts register: Claire Priest responded that they are not, but that anything above £100,00 goes to them for sealing.
- 4.8 Cllr Smith also asked if the council were confident enough in their knowledge of IT to get good value for money with contracts; Claire responded that experienced procurement advisors are working with IT and that teams are mindful to create flexible contracts that can be scaled up and down as necessary.
- 4.9 Cllr Anderson asked about item 3 on the risk register, questioning why a locked file was being used for the register rather than a sharepoint file with version history; Claire responded that she wants control within her team ahead of the migration to Agresso.
- 4.10 Cllr Anderson also asked if the council can be confident that the purchase order system will be correct once in Agresso and if efficiencies will be seen for the Finance team; Steve Mair responded that there is always a risk of human error so tight purchase order processes will need to be maintained, and that working from the ledger should result in efficiencies for his team.

5. Disposals Board Update

- 5.1 Max Caller flagged that most items in the written update happened while he was on annual leave and that an updated report from Avison Young was due imminently after significant feedback was given on the draft. He confirmed to Cllr Anderson that the report would be shared appropriately once finalised.
- 5.2 Max noted that initial bids on the first site to market have come in and confirmed to Margaret Lee that Red Book valuations will be done as each site goes to market as there was not sufficient time to do this in time for the report itself.
- 5.3 Cllr Swindlehurst expressed concern that updates with Avison Young have been cancelled and asked if the team have confidence in them delivering value for money; Max Caller confirmed that he will be given an update in due course, that recent failures in process should have been prevented by officers, and that seeing a draft report was a positive step.

6. SEGRO Relationship Management

- 6.1 Richard West summarised his paper, noting that there are four key interfaces with SEGRO and that discussions around renewal of the Special Planning Zone (SPZ) have begun.
- 6.2 Max Caller requested a more strategic view of priorities and the appropriate model for the future; Margaret Lee agreed with this and emphasised the opportunities of the SPZ renewal in 2024. Cllr Anderson noted that this period has been used to review the 10-year plan at past renewal points.
- 6.3 Cllr Swindlehurst noted that political engagement with SEGRO continues.

Action: Richard West to provide a strategic view of SEGRO relationship and planned next steps over the coming 18 months to the Finance Board.

Cllr Ajaib asked for an update on commercial units intended for start-ups; Max Caller said that he would speak to him after the meeting.

7. AOB

7.1 No other business was raised.

7.2 The meeting ended at 11:47

Ref: SBC/FB/06