

Finance Board
Thursday 20 July 2023
9.30-11.30am

Minutes of the Finance Board
Council Chambers, Ground Floor Observatory House / Microsoft Teams

Attendees:

Commissioners:

Denise Murray Finance Commissioner, Chair
Ged Curran, Commissioner

Members:

Cllr Wal Chahal Deputy Leader and Lead for Financial Oversight & Council Assets

Officers:

Adele Taylor – Executive Director of Finance and Commercial Services and S151 Officer
Hitesh Jolapara – Interim Deputy Director of Financial Management
Tariq Mansour – Head of Financial Governance, Internal Audit
Sue Butcher, Executive Director, Children’s Services
Stephen Taylor – Monitoring Officer
Dean Tyler – Associate Director of Strategy & Insight
Mark Halligan – Property Director, (representing Pat Hayes, ED for Housing, Property & Planning) (remote)

Secretariat:

Nasreen Brittain – Executive Assistant to the Commissioners (minutes)
Claire Willerton - Chief of Staff to the Commissioners (remote)

Apologies:

Gavin Jones – Commissioner
Patrick Hayes – Executive Director Housing, Property & Planning
Sarah Hayward – ED Strategy & Improvement
Cllr Dexter Smith – Leader, with responsibility for Improvement and Recovery

Not In Attendance:

Stephen Brown, Chief Executive and Head of Paid Services
Cllr Pavitar Mann – Leader for the Opposition

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Minutes

1. Welcome and Declaration of Interests (Denise Murray)

No declarations of interest expressed.

2. Minutes and Actions of the March Finance Board (Denise Murray/Nasreen Brittain)

Minutes noted. Actions closed.

3. Update from June Improvement and Recovery Board (Ged Curran)

3.1. No details to update on from the last IRB meeting. Question raised about whether the IRB needed to update the Finance Board. It was agreed that this item will be removed from future agendas.

4. Dedicated Schools Grant Safety Valve – progress update (Sue Butcher)

- 4.1.1** The Council was due to receive a statutory direction for SEND. Safety valve agreement was signed off in February. Seen as a very good piece of work. Provisional 2022/23 outturn is a £0.097m overspend. 2023/24 High needs block and schools block currently predicted to be on budget.

Data dashboard being aligned with Frimley ICB data dashboard. Place planning board is being refreshed and focussing on SEND demands. Turnaround times for ECHP were coming down. Issue identified are that the current Safety Valve agreement did not reflect the backlog cases that were in the ECHP assessment pipeline pre-April 2023 and from a schools' planning perspective there was no current plan to open new free schools. More focus on repurposing existing school resource than opening new ones. Currently working with the special schools, Pupil Referral Units (PRU) and schools where there is specialist resource provision to review current capacity. Capital was available to support this process and projects have already been prioritised for a special school, a post-16 setting and the PRU. Were also in conversation with established providers locally who were looking to provide an education officer in Slough in the future.

There had been a below expected number of children on a SEND plan in Slough an indication that children may be escalated to ECH assessments and plans which had created more demand. Working with schools to rebalance and challenge the way schools were working. The ECHP panel was now also more rigorous than before.

- 4.1.2** Associate Director of Education joined in March which was a very good addition to the team. He had a good understanding of the challenges facing Children's Services. Strategic Finance Manager for Children's Services continued to support the Safety Valve Service and was working closely with the SEND services and the Strategic Inclusion Partnership Board with Budget Management Reporting. Adele confirmed she was now attending the Boards along with Sue to gain better oversight.

Following the inclusion of Sue Butcher as DCS, and the AD for Education and Inclusion, a new SEND team structure had been implemented including a Head of SEND, new managers and other key personnel including a Transformation and Commissioning consultant, a Resolutions Officer together with new casework SEND officers. A Preparation for Adulthood post was being created. All case officers would undertake a skills audit to identify CPD needs. Training on the Code of Practice took place in April with a further session planned in June. CAHMS training took place in May.

The SEND Commissioner that was involved in drawing up the Safety Valve moved on to a different local authority in March 23 and had been replaced by the Transformation and Commissioning Consultant. This would allow commissioning decisions moving forward to be informed by the SEND 0-25 data, anticipating the future SEND cohort needs and best practice nationally.

Sue confirmed there was no medium-term financial plan when asked about it by Ged, and reported it was more in terms of the Safety Valve planning. Commissioners commented they would expect to see a medium-term financial plan or the deficit management plan at the same time. Sue reported they were looking at mitigating costs.

The SEND Service: since the autumn of 2022, not enough EHC plans had been completed and rapid actions were needed to reverse this trend. Additional locum Eps had been sourced and discussions were taking place with an

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external company to provide further capacity while a new recruitment and retention strategy was being devised to establish a permanent team to meet ongoing demand.

- 4.1.3** Denise explored whether the DfE financial dashboard detailing various metrics relating to demand and cost as referenced in the safety valve agreement could be shared with the Board, but Sue reported that it had not been required by the DfE. Alternative dashboards containing demand and cost metrics being utilised by the service should be provided. Denise also sought assurance in relation to whether the council remained on track regarding the forecast DSG Deficit Profile at year end. Confirmation of actual figures could not be provided at the meeting. Sue confirmed this would be included going forward.

Denise sought additional clarification in relation to the recently identified backlog, period to which it relates, approximate number of cases, estimated value, and inclusion in current forecast. Each education setting would have a dedicated link officer to ensure better communication with the SEND service. Sue reported that there were circa.180 cases in the backlog. This had not been captured in the current iteration of the Safety Valve that were in the EHC plan assessment pipeline pre-April 2023. The anticipated cost impact had not been estimated and was not reflected in the latest financial outturns for the High Needs Block. A new Safety Valve Working Party was reviewing the conditions set in the current agreement to ensure that the actual figures were reflected and that additional conditions if applicable were identified to ensure that the budget still balances for 2025/26. It was presented as a capacity issue, and some went back to over a year.

- 4.1.4 Leadership:** needed to ensure that progress against the weaknesses identified in the local area inspection was increased rapidly and that partnership working became embedded. There had been a lot of action since the February monitoring visit, but the impact was only just starting to appear.

SEND and Inclusion Strategy 2021-2024 being developed with partners alongside a School Effectiveness Strategy agreed with a focus on inclusive practice. A new Workforce Development Plan is being shared with partners and stakeholders. A SEND update would now also be included at all Getting to Good Boards. Slough Schools Placing Strategy went to Cabinet in April and the Slough Multi-Agency Protocol had been agreed for the transition from Children to Adults. Regular Risks Workshops now took place before every Partnership Board meeting.

4.2 Forecast for 23/24 – Period 2:

Overall, the 2023/24 DSG was forecasting an underspend of £0.473 which was fully attributable to an underspend on the growth fund within the Schools Block DSG. The Early Years Block, High Needs Block and Central Schools Services Block were all currently predicted to be on budget. This was caveated that the P2 Budget Management report was very early in the financial year, and it normally took at least 3 months of financial ledger information to get a clear picture of predicted outturn. The main reason for this was that it could take a few months for accruals to be cleared in the new financial year. It was noted that neither the provisional forecast outturn for 2022/23 nor the period 2 budget management report had been presented to members yet, so were not in the public domain.

The increase in pressure on the service and shortage of EP capacity had created a backlog of cases that were being profiled into the Safety Valve. Denise asked whether a provision been made for what was in the backlog. Sue confirmed they were looking into doing this but currently were unsure what the cost would be. Denise confirmed that an average cost estimate would be acceptable as an indication with assumptions clearly stated. This would be included going forward. The increase in the number of exclusions in secondary schools, and pressure for immediate alternative provision places in the second half of the 2022/23 academic year had required additional places to be secured in the PRU for 6th day provision. A new Preventing Exclusions Policy was being developed and a review of the PRU funding would take this into account within the Safety Valve Agreement.

Denise stated that to provide greater clarity for future meetings the DSG information should be presented with details of each block, cumulative balances brought forward and forecast year end cumulative balances to be carried forward with an explanation for each. In addition, clarity was sought regarding the original council plan to address sufficiency. Sue responded they were looking at growing resource bases in schools. There would be a fourth stage and looking at amount of nurture groups that schools could grow. It was a four-stage sufficiency programme.

Action: Sue agreed to provide the additional financial information for future meetings.

Action: Sue agreed to provide more detail in relation to the sufficiency programme and on how many places each would include.

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- 4.3** The Strategic Inclusion Partnership Board was in place with agreed terms of reference ensuring partnership working with health and social care. They have drafted a Self-Evaluation Framework to inform the strategic objectives and priorities including a data dashboard and a SEND Service Operational KIP Tracker. The Strategic Inclusion Partnership Board agreed the new Live Cases dashboard that allowed for more informed decision making and triaging of cases. The new leadership team had already used the dashboard to review all current cases to identify possible quick resolutions. Sue to include the data from appeals and tribunals relating to ECHP into the data dashboard.

Action: Sue agreed to provide a further update when the submission had been sent to the Department.

- 4.4** Home to School Transport was currently showing an underspend.

5. Finance Update (Adele Taylor)

- 5.1 Statement of Accounts:** 18/19 awaiting signoff. Internal reviews ongoing with Grant Thornton.

- 5.2** Letter received from the Minister this week which could have a positive impact on Slough. There is a national proposal for speeding up of signing-off of delayed accounts. Slough was not the only Council impacted, all Councils with outstanding audits affected. Indications are that any accounts that are not met by an agreed deadline, will be disclaimed.

The detail was yet to be fleshed out. The national team was looking at the details including revisions to the code of practice and outcome of this exercise due in the Autumn. This would release the burden for councils around pensions and assets. FRC will suspend reviews of local authority audits unless there is a public interest. This is important as it would speed up the processes within the audit firms themselves. The relevance for Slough is that it might not allow us to demonstrate the arc of improvement that we would have wanted, but it will speed up the sign off of subsequent years' accounts and be able to focus on 2022/23. The timeline had not been made clear yet. Work planning was being done around this and the 9 August meeting with Grant Thornton will discuss this. Waiting for 2018/19 'lessons learnt' report from Grant Thornton. A forensic analysis had been carried out by the auditors which would provide valuable information for Slough. It was a fast-moving area. Denise concurred that local audit delays was a wider issue impacting a number of Councils. Were trying to assess whether Slough was unique in its position and if so, whether there was any potential for greater involvement in the testing of this approach.

Resourcing Capacity: Denise stated that whole time capacity would be required on preparing the accounts and audit, and asked Adele to reflect on whether she was appropriately resourced to deliver on this agenda whilst maintaining the pace on other key priorities, Adele would pick this up with the Finance Management Advisor, Alistair Rush. She felt would need some additionality in resource. There would need to be a callout for additional support. To try and deal with all of it in one go was going to be a very sizeable challenge. It was a work in progress and Adele would update when resource has been allocated.

- 5.3 22/23 Outturn Overview:** report had to be deferred to September, draft report has been produced containing the additional information required. Reporting had not been as regular in the past. A number of budgets were held centrally making the position unclear. The capitalisation direction model is WIP and requires balancing. Need to discuss some of the emerging risks in 23/24, e.g., high inflation and interest rates. Whether some of the capitalisation direction could be reduced was something that would need to be discussed in more detail.
- 5.4** Frustration was that a lot of budgets were held centrally, which made it very difficult for Managers. Getting the budgets where they needed to be, was, itself a sizeable piece of work.
- 5.5** Denise asked some questions relating to outturn. How did this outturn differ from the forecast outlined in the budget report to Council which would have been based on month 9? Adele responded that she assumed a reduction in capitalisation direction and there had not been a deviation from that. Month 9 assumed there would be no adult social care pressures, however, that had not turned out to be the case and pressures identified in 22/23 continued into 23/24. 22/23 had large amounts of centrally held contingency funding. Previous Commissioners held the view that everything would be held centrally. The totality of the funding was not incorrect, it was more about where it was held. Overspend in 22/23 has a knock-on effect for 23/24. The savings that needed to be delivered for 22/23 were achieved. Full details would be provided to Denise and the next Finance Board.
- 5.6** Denise asked for assurance that following the MRP review the final number in terms of the Capitalisation Direction for 22/23 would not exceed £57m, which Adele confirmed and would have the numbers in August.
- 5.7 23/24 budget monitoring:** Period 2 indicated an overspend of £9m, had seen an improvement in period 3, however it was still in draft. This had already reduced by £3m as we were receiving PFI income. There were risks in this forecast due to demand-led services. Focus was on savings and not the issues and pressures that were already in the system.

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MRP may reduce even further in 23/24, potential that spend would be less in 23/24 than anticipated. However, a further review required on this to make sure they were certain of the numbers.

- 5.8 Unrealised income targets had been a problem for a number of years. Needed to decide if they were genuinely unrealisable or if there was something that could be done via debt management. Needed to look at debt management processes more closely to ensure this area was working properly.
- 5.9 Adult social care expenditure budgets were sitting in the corporate area.
- 5.10 Significant work was being done in temporary accommodation. There were some areas where reviews had not been done for some time and the Council had been spending more than necessary.
- 5.11 There were some underspends on staffing where the Council was unable to fill vacancies. However, needed to ensure that vacancies held were not preventing the Council from doing the work required. CLT were taking action on this and were also looking at what could be done to manage demand in the Services.
- 5.12 Denise commented on the mitigations and reflected that many of them were corporately driven actions and controls but wanted to know how members were involved and what other mitigations were being considered other than corporate activity to mitigate pressures? Adele responded that we are working on making sure new demand coming in was appropriate and ensuring every service area was managing this closely. Average time to send out bills for adult social care had been particularly long, and this has had an impact on income. Expenditure control panels continued to happen. Getting the message across that the Council was still not out of the woods financially. Key areas were managing the demand.

Denise asked, what were the big decisions that members needed to start thinking about ahead of September? Should members start to think about any big/difficult decisions on discretionary services for example? Adele did not think there were any big decisions in the pipeline, and she was going through with each ED to see if there was anything else they could do. They were not spending on anything discretionary. In many cases it was making sure they were adhering to the processes and policies that were already in place.

- 5.13 Stephen Taylor added that from the corporate schedule there were contracts coming up for renewal and the SCF issue which was also coming up. CLT were very insistent that Officers liaised very closely with their Lead Members and Lead Members to take responsibility for their Services and budgets and also be accountable for them.
- 5.14 Denise asked about the SCF forecasted pressures and Adele confirmed that the SCF forecasted pressures were included in the 23/24 forecast outturn.
- 5.15 Ged wanted to better understand the right sizing of the budgets and corporate control environment. He also wanted to get a better sense of what was driving Adele's confidence in relation to the ability to mitigate the overspend. Adele responded that the previous focus had been to get to the root of the problem by the interim finance team. Now there was more detailed work being done and the next reporting period was crucial for the finance team and Slough. The confidence was due to having large sums of money as contingency as well as action, not inaction. New staff also understood the position much better. It was agreed to take the conversation offline.

Action – Adele to include for discussion at next monthly one to one meeting with Ged/Commissioners.

- 5.16 Savings delivery: 89% will be delivered. Some of the savings will not be delivered for children's centres. Contingency sum had been set aside to cover this saving target not being fully met and in the finance area, the savings target would not be met as it was assumed that all staff would be in place from April.
- 5.17 Adele confirmed this savings forecast was reflected in 23/24 monitoring forecast.
- 5.18 MTFP: will have the results of the capitalisation direction refresh by end July. Members / CLT Away Day has now taken place. Understanding Members red lines fed into the MTFP. Nothing came out that would add to the overall expenditure. This allowed the team to work on the resourcing of the corporate plan.
- 5.19 What could be done to contain the costs in childrens' placements. Needed to consider how the Council utilised its estate. Income was of particular focus. Some areas were not maximising potential, and this needed to change. Other areas had had unrealistic targets. Would also have to look at what things would need to stop going forward. Needed to see how feasible some of the ideas were. Adele was conducting a line-by-line review with all services to see what quick wins could be achieved and how to stop the demand from growing in the medium-term plan. Needed to reduce the demographic pressures. Starting these things now, would give benefit in future years. Cllr Chahal echoed the messages

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from Adele. Reflected that some new Members were keen to spend but were being given more information on their budgets and the message that there was a small financial envelope to work within is getting through.

5.20 The recommendations in the Mutual Ventures Report were discussed: there was no additional funding available from the DfE. Have put a bid in for £333,600 for an alternative. Sue doing a paper that will set out the Mutual Ventures points and why some things had been implemented and why others had not and what future plans there were. Commissioners expressed concern over the risk of Invest to Save proposals where propositions not fully developed / evidenced. Financial management in children's services required more maturity than simply looking at invest to saving without appropriate due diligence as to how the savings would be delivered. Adele responded that the Council would need to invest time in looking at how Slough would do things differently to prevent things falling down in the future. Must have strong business cases if looking for invest to save.

5.21 Denise requested a more detailed plan and timetable for the development of the MTFP including key deliverables, officer / member engagement and public consultation. Adele confirmed she would provide a timetable going forward for development and engagement and will bring to the August Finance Board.

Action: Adele to bring to August FB a more detailed plan for the development of the MTFP and engagement and consultation. Nasreen to add to August FB Agenda.

6. Finance Improvement Plan (Adele Taylor)

6.1 The six key thematic areas remain unchanged.

6.1 Adele confirmed she would go into more detail on these areas at the August finance board. Getting the organisation used to regular budget monitoring being done under '*getting the basics right*'. Capital Review Board had also started. Additional support in place for asset disposal work. September training for members in finance scheduled. Bitesize lunchtime training online was also underway. Staff roadshows were being used to communicate the financial messages and position. In relation to Transformation and automation, Agresso was now being used for finance and HR. Agresso user group had been created. Revs and Bens projects also underway. Income and debt were another big project area.

Action: Adele to provide more detail on the six thematic areas at August Finance Board.

6.2 Senior Capacity: have offered two candidates for the DD S151 roles. A third candidate has been offered the role of working in the corporate side of the organisation. Permanent staff currently sits at 106 against the budgeted number of 171. Also went out for the tier below (finance manager positions), however, had not been quite as successful for these at this time. Would fill some but not all. Were thinking about new ways of recruiting going forward. Mutual aid was not available from other local authorities unfortunately. Sue reported a new finance director has been recruited to the Council as well which was very good news.

6.3 Commissioners formally thanked Adele and recognised her achievement given the sector-wide challenge to recruit in finance. Cllr Chahal also echoed his appreciation.

7. Internal Audit (Tariq Mansour)

7.1 Key updates: completed recruitment and team was now on board. Would be under close review throughout the year. Revised annual audit plan was approved at the Audit Committee on Wednesday 19 July. Outstanding audit actions prior to 2021 have been completed. As of 3 July, 61 actions (28%) are overdue and 51 (23%) completed. Have introduced key performance indicators of 0% for all high priority audit actions raised in 21/22. Also introduced a KPI of 0% with a tolerance of 10% for all high priority audit actions raised in 22/23.

7.2 Risk Management: Paper at Audit Committee was not the best quality as it was three months out of date, primarily due to resourcing issues. There was a specific direction around risk management and Adele gave reassurance that this would be addressed going forward and a new risk management officer now in place.

7.3 Ged believed this was not a good enough reason for the quality of the paper that was submitted to the committee as it had gone through internal governance and as such a broader failure that occurred, and it was important to recognise that. Adele acknowledged she recognised this to be the case. Tariq Mansour reported that in scrutinising risks one of the directorates would be invited in September to the committee to comment on their risks.

8. Revenues and Benefits Update (Adele Taylor)

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8.1 DWP: performance in relation to speed of processing new claims has been very poor. Taking far too long, and the delays were not acceptable. The council are way off the target time. DWP and Slough met on Monday 17 July to discuss this serious issue, improvement plan and how DWP could support Slough. They agreed to provide free additional support from September. Changes needed to be made around automation which would be key as it allowed the Council to focus its resources better.

8.2 Some small improvements had been seen on new cases coming in. Support from DWP had been welcomed by the Council. System issues had been resolved; and it was felt this would have a positive impact on the turnaround times going forward.

Action: Adele to bring the item of DWP and the processing of new claims turnaround times back for a deep dive in September.

Commissioners needed to see more detail on the caseloads, data, and figures including change in circumstances.

Action: Adele would provide this information as part of the monthly update to Denise & Commissioners.

8.3 Cllr Chahal asked what the consequences of not improving this would be. Commissioner response was that DLUHC could consider further intervention and Adele agreed to brief Cllr Chahal later in the day.

9. Asset Sales Progress update (Mark Halligan):

9.1 Good progress being made on the asset disposal programme. Next phase assets need more careful review work. Which the Council wanted to retain, and which it wanted to dispose. Have appointed Montague Evans to support with this. The aim was for an emerging vision for September. This would have a limited scope. It would, however, be enough to establish the principles for delivering the strategy.

Action: Mark Halligan to send the latest summary of the financial breakdown of the asset sales programme to Commissioners.

9.2 Denise asked what the operating model was that the estate strategy would align to? The baseline assessment had been done. Next would need to engage with service stakeholders so were clear how the operating models were developing. The timeline for stakeholder engagement would be to get this completed over the next few weeks. People have been nominated to attend these sessions.

Action: Mark Halligan to share timeline for stakeholder engagement to complete the estate strategy with the Commissioners.

10 Wholly or Majority Owned Companies Overview (Adele Taylor)

10.1 Deferred to next meeting in August due to time. Would be added to the agenda.

11. AOB

11.1 None.

Meeting closed at 11.28am