

**Finance Board**  
**Thursday 17 August 2023**  
9-11am

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

**Attendees:**

**Commissioners:**

Gavin Jones, Lead Commissioner & Chair  
Denise Murray Finance Commissioner, Chair  
Ged Curran, Commissioner  
Tom Smith – Interventions Policy for DLUHC

**Members:**

Cllr Dexter Smith – Leader with responsibility for Improvement and Recovery

**Officers:**

Adele Taylor – Executive Director of Finance and Commercial Services and S151 Officer  
Patrick Hayes – Executive Director Housing, Property & Planning  
Marc Gadsby – Executive Director People and Adult Services  
Hitesh Jolapara – Interim Deputy Director of Financial Management  
Alistair Rush – Interim Deputy Director for Corporate Finance  
Sevil Rush – Financial Planning  
Tariq Mansour – Head of Financial Governance, Internal Audit  
Dean Tyler – Associate Director of Strategy & Insight  
Cllr Christine Hulme  
Claire Priest – Head of Commercial Services

**Secretariat:**

Nasreen Brittain – Executive Assistant to the Commissioners (minutes)

**Apologies:**

Cllr Pavitar Mann – Leader for the Opposition  
Cllr Wal Chahal Deputy Leader and Lead for Financial Oversight & Council Assets  
Claire Willerton - Chief of Staff to the Commissioners  
Stephen Taylor – Monitoring Officer

**Not In Attendance:**

Sarah Hayward – ED Strategy & Improvement  
Stephen Brown, Chief Executive and Head of Paid Services

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## **Minutes**

### **1. Welcome and Declaration of Interests (Denise Murray)**

No declarations of interest expressed.

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

Sue Butcher's changes accepted, not material changes. Leader noted his title was incorrect, also amended. Minutes approved. Actions updated.

### **3. Wholly or Majority Owned Companies Overview (Pat Hayes)**

- 3.1. Verbal update only. Reminder that there is a Direction related to Wholly Owned Companies and as such, a paper will need to be circulated to enable an informed discussion to take place at the next meeting.
- 3.2. Pat reported there were several wholly owned companies. Slough Urban Renewal (SUR) was an LLP. James Elliman Homes (JEH), and Development Initiative for Slough Housing (DISH) were older companies for Council housing and Ground Rent Estates GRE5, purchased to enable works to be done to Nova House, due to cladding issues.
- 3.3. SUR was the most complex and an overview of the plan to withdraw from this partnership and update of key sites was outlined. One Cllr and one rep on the board. JEH has been used as temporary accommodation, many units are old and in need of repair. Tenancies have been on average over 4yrs so not being used as temporary accommodation. Nova House (GRE5) was a former office block which was converted to residential and expanded by a third party. Post Grenfell the cladding was deemed non-compliant and the company who owned it, sold the building to the Council for £1. Cost have accelerated to around £28m and negotiations have been underway to mitigate or reduce the liability and better than anticipated position reached by way of final settlement.
- 3.4. Pat Hayes to produce a detailed report for Commissioners to include details around finance and legal. Companies deep dive to be scheduled with Commissioners. **Action: Nasreen to arrange.**
- 3.5. Pat Hayes confirmed he is now the lead senior officer responsible for Wholly Owned Companies.
- 3.6. Leader responded that a great deal of work was done on GRE5, with a good outcome and congratulated those who had been involved.

### **4. Finance Update (Adele Taylor)**

- 4.1 **22/23 Outturn:** The report will go to September Cabinet. Original budget required capitalisation of £84.1m to balance. Draft outturn shows the amount actually needed is £59.2m, a reduction of £24.9m.
- 4.2 **Savings Delivery** against the £20m target, £13.5m (67%) savings were achieved. Slough Children's First did not achieve their savings targets. Place and Communities unachieved saving was in respect of the Leisure Management Fee. Housing unachieved saving was in respect of renting out OH.
- 4.3 Alistair Rush reported on Capitalisation direction model. Have taken the pressures from outturn report as starting point. Reflect the growth pressures and previous assumptions and is estimated at £365m. As we go through the year, will look to update the model on a monthly basis.
- 4.4 A major review of minimum revenue provision was undertaken and have reworked that model drawing people in from across the team so that there is not reliance on one person, thus no single point of failure.
- 4.5 Asset Sales have seen a significant reduction in the MRP in 22/23. Need to keep the capital receipts under constant review. Restructure/redundancies reserve identified; any duplications now removed. Savings target for 23/24 sits at £22.4m.
- 4.6 Denise sought clarity on the 22/23 accounts. More specific draft outturn indicates a circa £2m deterioration from March budget which expected CD of £57m and this includes a £4.4m of carry

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forward requests which would require Commissioner / DLUHC approval. A further breakdown will be required of the £4.4m e.g., does it include Public Health or other ringfenced grants.

- 4.7** Alistair responded that SBC had a very small carry forward request from drug and alcohol team, IT transformation fund, which incurred significant slippage, election costs. There was also a carry forward of a DLUHC grant on cyber risk. No other public health carry forward requests were included in these numbers.
- 4.7.1** Detailed review of period 9 forecast which informed the budget was done. Business processes beneath the forecasting were also looked into.
- 4.7.2** Denise asked that of 22/23 service pressures, how much of that amount would be recurring pressures into 23/24. Emerging pressures (slide 5 of the presentation) identified £10.9m as part of budget build. Captured in outturn forecast for current year, pressures in adults and children's. Deep dives were being done with all departments to see what pressures could be contained for 23/24 and 25. Finance beginning to get insight underneath the figures, with detailed data, understanding trends etc. and feeding those into outturn and forecast building.
- 4.7.3** Denise wanted to know how the £6.5m of savings not achieved in 22/23, would be dealt with going forward. Adele responded that the expectation was that if savings were undeliverable then Departments would look to compensating savings. If they were one-off mitigations, then that would be addressed in the budget for 24/25. However, it formed part of further discussions with all departments.
- 4.7.4** Denise asked why the capital direction model (now reported at £365m from £357m) had not reflected the emerging pressure with a corresponding increase in the savings target as opposed to increase in the original ask from DLUHC. Alistair responded that SBC already had £12.9m of savings for the next 4-5 years. It also had demographic growth that may not be required. Would look at how to identify savings going forwards, looking at the whole period and planning more strategically.
- 4.7.5** Denise also wanted clarity on whether the CD model refresh should be considered WIP as savings and other mitigations are worked through. the final work or was it work in progress. Adele responded that this was the final and reflects the best conclusion that could be reached at this time with the pressure at the bottom line. This will be refreshed on a monthly basis.
- 4.7.6** Gavin wanted to know whether there were any fundamental issues with the original model that needed to be addressed. Alistair responded that there was not; it was the complexity of the model that had to be dealt with. It needed to be unpicked and rebuilt so that everyone could understand it. The team was now seeking to build the model with documented guidance so that anyone coming into the team could continue the work.
- 4.7.7** Gavin wanted reassurance on whether there was enough service knowledge of the demand in children's and adults. Adele felt there was a lot of knowledge of this within the finance team.
- 4.7.8** Marc Gadsby reported that the discourse was now different. He felt the finance team did indeed understand the demand challenges within adults.
- 4.7.9** Ged wanted to know whether the approach to income was aligned with the political aspirations. Alistair responded that review of fees and charges had begun and could see a rise in income. Also scope for increase within current collection practices.
- 4.7.10** Adele wanted to confirm that the capitalisation direction was a starting point. Deep Dive on income and debt was a priority. Monitoring income would be vital going forwards as well as reducing expenditure and looking at savings.
- 4.7.11** Leader commented on increases on fees and charges. Green waste saving was producing less than half of what had been expected, and so wanted to do more market testing to assess potential uptake. Commissioners were keen to know whether it was price or

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demand sensitivity that was causing this and felt it was better to have incremental increases each year to prevent large leaps when increases became necessary.

- 4.8** HRA, DSG and Capital overview were confirmed for inclusion in the September Cabinet report.

**4.9 23/24 Budget Monitoring Period 3:**

- 4.9.1** Period 3 forecast overspend of £5.3m. Many budgets were loaded in the corporate centre, resulting in a significant overspend in Services with underspends reported in the corporate budgets. Most significant overspends were in adults, housing, property, and planning.
- 4.9.2** Other actions would be taken to reduce the overspend of £5.3m, which would apply to all Service areas. Adele expected this position to change through the year and would carry into future years. Hitesh commented that HRA forecast variation was small and DSG deficit was c.£12m. Adele confirmed papers for Finance Board would be enhanced going forward to include all funds.
- 4.9.3** Denise sought detail on the service mitigation proposals for areas such as temporary accommodation. Adele reported there was a temporary task force reviewing this area. Work was being done around processes which would reduce temporary accommodation spend and areas such as Housing benefit overpayments. Adult social care work was being done with health colleagues regarding placements, continuing healthcare, and direct payment. Joint taskforce set up relating to income and also a deep dive going on around panels and how they were working.
- A great deal of work being done in commercial portfolio regarding billing and income, and good housekeeping. Adele felt she would be able to give a more accurate picture in a month's time as to confidence levels for delivery of savings and risks. At this stage she would want to see more evidence of delivery. She was confident; however, they were tackling the right areas, especially income and not allowing speculative items to go into the forecast. There was no optimism bias in the forecast, but it wasn't overly pessimistic either. She felt confident that the overspend could be reduced and budget balanced.
- 4.9.4** Denise asked what had been built into the forecast in relation to SCF. The figure was still showing at £4.45m however recent deep dive indicated £6m pressure. Adele responded that with the actions that SCF were taking and speaking with the FD in SCF, she believed the work to get to a £4.45m outturn pressure was achievable. Adele did not agree there was a lot of optimism in the SCF figures produced and felt confident in the ability to contain / mitigate the pressures.
- 4.9.5** Reserves – Commissioners sought the figure for 22/23 end of year usable reserves. Alistair confirmed they did have those figures and in part they were tied in with the carry over requests, however confirmed he would get that to Denise and Commissioners.

**4.10 Medium Term Financial Plan:**

- 4.10.1** MTFP timeline and assumptions in the pack. Adele confirmed she would be doing departmental budget reviews by October. These were all being done in consultation with Lead Members and Officers. Need to overlay the scrutiny meetings once the meeting had taken place with the Scrutiny officer. Briefings to start from September onwards.
- 4.10.2** Denise noted the need to consider other companies and HRA. The main thing had been understanding this year to ensure pressures from this year were reflected properly in the future years.

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**4.10.3** Denise asked for more information on the public consultation, timeline, and feedback. Adele responded that they were trying to explain things in plain terminology to get better public understanding and engagement. This year would need to think about what was 'good enough'.

**4.10.4** The Council meeting on 7 March meant there was no opportunity for a second meeting should one be needed and as such something to note and consider for future years.

**5. Finance Improvement Plan (Adele Taylor)**

**5.1 Latest Update:**

Meeting with external auditors to agree deadlines for accounts. There were a significant number of reports for September cabinet and need for financial implications of other reports with the need to ensure they aligned financially. Transformation and automation focus on the improvement work in Revs & Bens and meeting with DWP. Financial culture and awareness programme being rolled out for all members. Training in September. Training plan for audit and governance was being produced to share with all members. Needed the plan to be flexible e.g., what 'external audit means'.

**6. Internal Audit & Risk Management (Tariq Mansour)**

**6.1** Reported that good progress continued to be made to address all outstanding actions. 21/22 actions completed as of 3 August, 211 (65%). A concerted effort being made by CLT to close the remaining 116 actions that were overdue. For the 23/24 Internal Audit Plan, one audit had been finalised with six audits in management review. Denise highlighted challenges in housing overdue actions.

**6.2 Risk Management Update:**

**6.2.1** Corporate risk register to be refreshed - now discussed at CLT. Appendix A, corporate risk register scores and Appendix B Corporate Risk Register. New updates had come to light which would be circulated for the audit committee and would be shared with Commissioners. Also discussed at CLT that DLTs was to look at directorate risk that would report into the corporate risk. Timing of CLT/Assurance meant that FB papers produced were draft at this stage.

Commissioner feedback was that the report was a much better quality, however, was very long in the narrative much of which was background and context. Perhaps it could be streamlined down and capture this information elsewhere. Adele responded that at the moment this was the process being used as risk had not being looked at all in the past, and perhaps a little overcorrection had taken place. Wanted to build the culture of focussing on risk but acknowledged the process was a work in progress. Cllr Hulme responded that there were a number of service-related risks that were not factored in when decisions were made, and it was good to have the narrative explained for Members.

**7. Revenues and Benefits Update (Adele Taylor)**

**7.1 Speed of processing new claims and changes in circumstances:**

**7.1.1** Collection rates for Council Tax were slightly below target, but the gap was closing and above this time last year. Significant number of discounts for single person had been applied. Automation was being used to improve collection rates focussing on high volume, low value tasks, which would free up resources to then focus on higher targeted collection. Business rate in-year collection was higher than this time last year. Expected to see it continuing to perform well.

**DWP** – Slough had the highest turnaround times in the country for processing new cases and change in circumstances. Backlog had since been reduced. Meeting with DWP to monitor

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improvement, and agreed further support from DWP which would be around 26-29 September. The DWP support was more of a health check as well as other support and it was very welcomed. Expected to see significant and continued improvement going forwards. Delays had been caused by inefficient practice and significant numbers compared to other Authorities. A lot of manual handling of data was time consuming, which was the overriding factor, and also affected by applications being incomplete which would still be counted from the date the application was started, rather than allowing for things to come back for completion.

Denise commented that positive feedback had been received from DWP re the good engagement with Baljit Nijjar from the team. Commissioners wanted to see improvements were continuing to be made and that things were being monitored closely. The average was not going to come down to 22 days for some time and as such monthly and average progress need to be reported.

Ged echoed the improvements were a positive. Focus needed to remain and be managed. Once the targets had been reached, how would this area continue to be managed. Adele said it was something that was part of DLT and formed part of her routine statistics so would be managed going forward. The team were also very much engaged with continuing to make this area a success.

**8. Procurement and Contract Management Overview (Claire Priest)**

**8.1 Summary:** number of improvements put into place including ensuring contract procedural fit for purpose. 120 members of staff trained. Recruited an in-house team. Developed partnerships. We are seeing interims wanting to become permanent staff and former staff returning to the council. Building networks outside SBC. Procurement Network being used. Assistance from other local authorities offered. Struggling to reinvigorate Berkshire network.

Adele wanted to move onto more strategic work now the basics had been done. Working with economic development team, working with SMEs. Long way to go with contract management, however now had a support lead in place. Looking at making better use of IT systems to better manage contracts and the contract register.

Procurement officer appointed. Would be constantly reviewing contract procedures to ensure they were fit for purpose. Provide training for new staff. Being audited, the last one was 2018. Biggest risks were recruitment.

**KPIs:** reflect the improvements in forward planning. Reduction of extensions being sought. Savings being made through contract activity.

Denise wanted recognition of the work done to be formally noted; and sought clarity on capacity for monitoring of contracts and contract management work which would be extensive.

Claire responded that any plans put in place needed to reflect the capacity within the team to deliver. Contract management could roll it out incrementally, higher value/higher risk first. Not use 'one size fits all' approach, instead target resources to the most important things. Use the contract management plan to route resources.

**9. AOB**

- a. None.

**Meeting closed at 10.55am.**