

**Finance Board**  
**Thursday 21 September 2023**  
**10am-12pm**

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

**Attendees:**

**Commissioners:**

Denise Murray Finance Commissioner, Chair

Gavin Jones, Lead Commissioner

**Members:**

CLlr Dexter Smith – Leader with responsibility for Improvement and Recovery

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

CLlr Pavitar Mann – Leader for the Opposition

**Officers:**

Stephen Brown, Chief Executive and Head of Paid Services

Sarah Hayward – ED Strategy & Improvement

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

Tariq Mansour – Head of Financial Governance, Internal Audit

Dean Tyler – Associate Director of Strategy & Insight

**Secretariat:**

Nasreen Brittain – Executive Assistant to the Commissioners (minutes)

Claire Willerton - Chief of Staff to the Commissioners

**Apologies:**

Ged Curran, Commissioner

Stephen Taylor – Monitoring Officer

**Not In Attendance:**

**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*)**

Minutes approved. Actions updated.

**3. Finance Update (*Adele Taylor*)**

**3.1. Statement of Accounts update 2018/19 to 2022/23**

**3.1.1.** Alistair Rush reported that the 18/19 final opinion from Grant Thornton had been received following audit committee. Draft accounts had been prepared for 19/20 and shared with Grant Thornton. Remaining statements of accounts are in the process of preparation. Following consideration of the new proposals for local audits; we are likely to get a revised code of practice in October. The accounts will need to be completed in a timely manner, and by the hard deadline outlined. Early Indications is that we would need to clear the backlog for all years by September 2024. In the process of setting up regular operational and strategic meetings with Grant Thornton.

**3.1.2.** There was sufficient core capacity, the team were in a good place to begin the clearance of the backlog and wouldn't be caught up in a competition for capacity with other Authorities.

**3.1.3.** Denise recognised the scale of the task and was pleased to see the capacity issue had been resolved. It will be necessary to rebuild trust with residents and as such all the accounts will need to be prepared for all years and be open for public inspection.

**3.1.4.** With 19/20 accounts, we were anticipating the 18/19 accounts being signed off by auditors and then the 19/20 could be loaded onto the website for public inspection. Needed to clarify whether the audit would be a truncated one or a 12-week one, and they would discuss with Grant Thornton.

**3.2. 23/24 Budget Monitoring: *Hitesh Jolapara***

**3.2.1. Period 5 including Emerging Risks and Opportunities**

**3.2.1.1.** Headline number was £5.1m overspend, down from £5.5m. savings target of £22.4m, forecast was £20m. CD forecast was £395m however, it was not a balancing item, corrective action would be taken to reduce this.

**3.2.1.2.** Contingency remains at £6m after Q1 virement, which was not additional budget and is assumed in the £5.1m forecast overspend.

**3.2.1.3.** Overspend driven primarily by adult social care and housing. Savings had now been RAG rated. Monitoring what was on track and verifying what had been delivered. Looking in detail now at savings at major risk of non-delivery and mitigating savings as well.

**3.3. Usable Reserves and Contingencies**

**3.3.1.** As there were several years of unaudited accounts prior to 2022/23 the figures reported as at 31 March 2022 and therefore by extension at 31 March 2023 were subject to change. The were £53.5m of reserves, of which the largest item was the Budget Smoothing Reserve which was £38.6m.

**3.3.2.** Contingencies. The total budget at the start of the year was £22.439m and there were various potential calls identified against that budget at the time that budget was set. Q1 monitoring

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report agreed virements from contingency, and also delegated authority to the 151 officer to vire to services the costs of the pay award, once it is known. Originally assumed to be 4% the numbers presented in slide nine of the pack, reflected an assumption that this could be 6%. There was a balance of contingency of c£6m. however, it was highlighted this was not additional money available, it was already assumed to contribute to reducing the overspend to the P5 figure of £5.1m.

- 3.3.3.** Medium Term Financial Plan - Growth pressures carried forward had been built in, growth would be funded via savings, Council Tax, grants etc. this gave a draft bottom line of £23m budget gap.
- 3.3.4.** Adele reported there was an Away Day scheduled with cabinet and CLT to go over the MTFP. She reported that for every £3 of growth, the Council would need to find £2 of savings.
- 3.3.5.** Denise sought assurance from departments with material overspend forecasted, as to the recurrent nature of the pressures and mitigation proposals.
- 3.3.6.** Marc Gatsby confirmed the finance team was working very closely with the adult social care department. Hospital discharge processes were the costliest and SBC was dealing with higher pressures than normal. Care home beds had now been purchased at a better price using cost effective block arrangements. The prevention piece was the most significant, we need to reduce the number of people that required this service in the first instance. This was being done in various ways, healthier eating, exercise etc; to try and improve health and reduce the reliance on the use of adult services.

Revenue opportunities where charges in adult social care were also being looked at, smartening up of processes and assessing people earlier. This would lead to having to write off less income. Were not currently seeing the same rise in income as in relation to costs.

Denise asked how much of the £4m plus in reserves, would be applied to reduce / mitigate costs and how much was c/fwd into 24/25. Marc reported that there were various risks, such as a new strain of covid and winter pressures with NHS announcing different types of funding. This was the first-year funding and allocations were made in advance, and while the Council had been agile in its response to these pressures in the past, it would need to ensure it was able to capitalise on the funding possibilities available.

- 3.3.7.** Pat Hayes shared he had a degree of confidence around temporary accommodation, the second largest risk being reported. Once all properties have been reviewed, it is expected that the overspend would reduce. Demand was stabilising and even flat lining. Other areas of pressures were unresolved savings, and unrealistic recharges in HRA which would need to be worked through. Significant savings needed to be made in staffing and procurement. Introduction of food waste recycling would reduce tipping costs for example. If green waste could be improved, the same could be achieved. Pat was confident savings could be delivered while increasing income through the measures being implemented.
- 3.3.8.** Denise requested a further explanation on the issue of garden waste and undeliverable savings of £700k. Pat responded that the issue was the charge for garden waste, how and what research was done and what the price and tipping points were. The charge needed to be revisited, as well as where the green waste was disposed. Ultimately, the Council may have to provide some free green food waste service. The cost was putting residents off from taking part. A food waste pilot would be run.
- 3.3.9.** Cllr Mann sought clarity re SCF, who weren't able to deliver their savings last year, or this and the Council had had to put in funds. Sue responded that the report to cabinet explained the full details of this. There were some in-year savings, but they were netted off in the business plan. The business plan included cost avoidance and this was bedded into the £4.4m growth request. The decision on Monday's cabinet was a combination of historic correction and new pressures.

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The aims and ethos of SCF were presented at the cabinet on Monday 18 September together with the updated business plan.

- 3.3.10.** Savings delivery indicated 18% at present and clarity sought as to whether this was on profiled target. Adele reported there was no profile when the budget was set but there would be one for next year. She had not inherited that level of detail but would be providing it going forward. For next year, would be looking at the profiles. Marc responded there was a process around ratification. £1,8m had been identified and agreed in Adults. They were further along in the journey as well.
- 3.3.11.** Adele reported she inherited a budget where she would not be expected to have agency staff and would be at full establishment from 1 April. She was reviewing vacancies at the moment and had to keep on additional staff for the automation piece. This had moved on quickly recently, so going forward that additional staff would no longer be required. Staff numbers were being actively tracked. 52% of staff were now permanent. The £7m savings would come through in period six.
- 3.3.12.** Adele reported that on the MTFP, the team were working to a 3-5yr plan and not just looking at next year.
- 3.3.13.** Denise reported the next finance board would focus on the MTFP and undertake a deep dive (12 October). Sue was also working on her MTFP for Companies. Adele confirmed member engagement had been built into the plan and they proposed to take all members on the journey to ensure good scrutiny and governance. Gavin responded that clarity of the MTFP would be key for Commissioners.
- 3.3.14.** The Council would need to make some announcements to the public in December, as would not be able to wait for the local government funding announcement from government (can be as late as Christmas eve) to verify savings and seek public engagement. There were scrutiny sessions up to December and also one in January to engage in the savings process.
- 3.3.15.** Public consultation – in addition to the General Fund clarity sought as to whether the schools budget consultation had started, and whether a HRA and housing consultation would be required. Adele, confirmed the public consultation with schools and HRA and housing was more of a work in progress, needed to get general funds sorted first. Hitesh reported there were timetables for all this work ahead of Full Council. Denise requested to see the engagement and consultation plan.

**Action for Adele to provide the engagement and consultation plan to Commissioners.**

**4. Finance Improvement Action Plan (Adele Taylor)**

- 4.1** This would look different for the next meeting. Action plan was agreed at Cabinet on Monday 18 September. internal audit team was now in place, and now could be more agile as a result. Quality of audits coming out were more focused. Procurement contract management would be discussed at Scrutiny in October.
- 4.2** Of the top ten posts, eight would be permanent and in place by November. There still remained some gaps at finance manager level however but expected to see movement on that as well. One of the finance managers was a local resident which was good for SBC. Denise reflected that recruitment had been a good piece of work.
- 4.3** Wanted to improve monitoring reports. Company governance was an area that would be looked at in more detail with Pat Hayes. Getting the basics right, significant focus on debtor management.

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- 4.4 Treasury management, regular meetings with advisors were being scheduled. Training for committee members planned re the TM strategy. Adele speaking with David Blake on training.
- 4.5 Sevil Rush congratulated on the work carried out. More risk management training required with the committee. Departmental risks were in place. Linking performance with financial risk management. Continuing to reduce internal audit actions. All internal audits had now been signed off.
- 4.6 Denise sought clarity on whether the issues raised by committee members were being addressed. Adele confirmed the MO was alerted to the issues whilst at the meeting, however, was on leave. She had advertised for another independent member for the Committee but was not sure how many applications had been received. Had some training programmed, however, more was required. Chasing self-assessment returns from committee members. Denise suggested if individual returns not completed an option could be to undertake a group skills audit instead.
- 4.7 Gavin commented that Grant Thornton had raised a red flag regarding the recent Committee. Cllr Mann reported that the full video was not available, members had resigned from the Committee from the Labour Party, and she would have to find replacements. Adele reported she had not been aware of member resignations. Stephen Taylor and Adele were working on bringing together leaders from all parties to resolve the issues. A meeting was being scheduled in due course. This was a big issue for the Commissioners and discussion took place as to whether a Commissioner would need to be present at this meeting. Cllr Mann reported that the issue for the resignation was around behaviour as well as the constitution issues around the committee. Further discussion would be taken offline. Stephen Brown reported he would personally ensure this meeting was scheduled when Stephen Taylor returned from annual leave. The Leader responded that the Chair emailed him and gave his thoughts on the meeting. He was happy to meet the Leader and Opposition Leader with Stephen Taylor. Cllr Mann felt it was vital that Officers were present. Commissioners content for Officers to meet with the Leaders of the Council and take a debrief. The Commissioners would watch the recording of the meeting. Cllr Chahal requested to see the video.

**Action: Adele to contact Shabana Kauser to ensure full video available and get a copy of the video for Cllr Chahal.**

**5. Internal Audit (*Tariq Mansour*)**

- 5.1 Improvement Plan:** All internal audit actions have been reviewed by action owners and Executive Directors. High rated actions are being given priority and are reviewed monthly by DLTs', Executive Directors, Finance Board, and quarterly at Risk and Audit Board. Progress was being made on closing actions on the tracker but needed to speed up; that message was shared at Assurance CLT in September. Evidence of actions completed was obtained and quality assured by the Internal Audit Manager, and, retained for use in follow up audits. Responses from management on audit actions/audit reports would be monitored and delay would be escalated to the Executive Director - Finance and Commercial. The number of overdue audit actions had decreased from 195 in July to 145 in August, a 26% improvement. The overdue actions were recommendations not being implemented by their due dates, due to factors such as (but not limited to) resourcing.
- 5.2 Seven audits have been completed.** Two have been finalised. Have a time limit for response which is set out in terms of reference. There was a ten day for response, anything falling outside this timeframe, would be escalated to the S151 Officer. The number of overdue audit actions had decreased from 61 in July to 44 in August, a 28% improvement. The overdue actions are due to recommendations not being implemented by their due dates as well as finalisation of audit reports.
- 5.2.1 Denise wanted to know how well internal audit was being embedded into the organisation. Where was the culture change around this and what improvements have been seen. Tariq Mansour responded that the team was physically in the building, was visible, attended DLTs so have the culture of allowing risk owners to come to the team for advice. Marc reflected the relationship between the function of internal audit was very different and wanted to thank Tariq Mansour and Satbachan Seehra for their hard work

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on building the relationship. The communication was also much better. The approach to clearing up actions was much more collegiate. Sue endorsed what Marc reported and added that the relationship and learning was across the whole of children's services. Denise thanked Tariq for the hard work done so far.

**5.3 Revenues and Benefits Deep Dive (Andy Jeffs/Adele Taylor)**

**5.3.1 Speed of Processing:** There were several contributing factors to this decrease in speed of processing, no processing automation software in place, unlike most other councils, meaning all incoming work had to be manually processed by an officer. Poor system response times through Citrix for Academy and Civica significantly reducing productivity. Covid had increased the number of documents submitted by email which needed to be manually indexed by the team. Reductions in the number of admin and agency resources in 2021. All the experienced Temporary Accommodation officers left causing significant gaps in knowledge and experience. On-going issues since the new NEC housing system went live in October 2022. The structure of the Council Tax Reduction scheme did not allow the automation of Universal Credit work. To ensure sustainability going forward, needed to give time to ensure changes can be made and embedded successfully. DWP were coming to Slough wc 25 September to undertake a health check which would assist the Council.

The impact of the improvements had been significant on both work outstanding and the speed of processing: On 6th of June the total work outstanding was 7,612 items and the oldest date was 31st of March 2023. On 10th of September the total work outstanding was 985 items, a reduction of 6,627 or 87%, and the oldest date was 6th of September. The May 2023 speed of processing was 56.57 days for new claims and 24.27 for changes. August in month performance was 38.65 days for new claims, an improvement of 17.92 days or 32% and changes in month was 8.25 days a reduction of 16.02 days or 66% and now achieving target. YTD performance in August has also improved with new at 50.87 for new and 18.27 days for changes.

5.3.2 Cllr Chahal complimented the team and felt the improvements were exceptional. Was seeing good green shoots of recovery in this area. Automation was the key to driving this improvement. Over the last 6 weeks the transformational change had been exceptional.

5.3.3 Gavin endorsed this view and asked about identifying risks and managing them. Andy responded that the risks were now documented; previously the team were maxed out and could not spend the time focussing on this. The focus going forward was more on the people behind the claim, that was part of the transformational piece, to move away from a transactional mindset. Moving to being more proactive. Seen as back-office function but felt this was more front office as dealing directly with residents. The team were keen and knowledgeable. Adele thanked Colin Watson in particular for his contribution.

5.3.4 Denise complimented Andy and the team on the huge progress made in this area of the work. Commissioners wanted to know how temporary accommodation would be resourced, and capacity be sustained. Pat Hayes responded that there was a lot of positive work done to get on top of the historic problem. Getting more permanent resource in the temporary accommodation team as well. The issue was to maintain the good progress made. Both departments were working very well together. In terms of long-term sustainability, were on top of the inflow, doing more prevention work.

5.4 Denise thanked Adele and the team for their papers and attendance.

**6. Safety Valve & DSG (Sue Butcher/Neil Hoskinson)**

6.1 There was a Dashboard produced that went to the Board. Sue would share this with Commissioners after the finance board.

Key development was that the first safety valve monitoring report has been completed. They had built in the reduction of overall spend over the next two years and would be in a positive position for this year, e.g.,

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overspend would be smaller than predicted, this included the backlog and estimated further spend of £2.5m.

There are no other internal issues that had not been factored in. But there were national issues that needed to be considered. Work on mitigations was being carried out. If there was an increase in demand nationally, that would need to be factored in.

Looking at some contributions from partners and also 16+ with plans into their 20s when they should have come off them and onto a different pathway. Was getting some positive feedback on the progress being made.

New monitoring actions being put in place and would work very closely with Adele on that. Operational practices linked to finance. A review of the process for permanent exclusions and preventative placements had been started. It was clear that the existing model was not sustainable and cost reductions had already been implemented around a more manageable process to reflect the LA's Statutory responsibilities around exclusions. Further reductions had been proposed over a three-year period to mitigate impact outcomes and costs and allow the schools to develop other models of delivery.

This work would be supported by a refreshed Place Planning Board including a working party focusing on SEND sufficiency. Initial scoping meetings had taken place to identify opportunities for wider delivery with Arbour Vale School, Haybrook College and Littledown School to develop more alternative provision and special school places. Working to be smarter and more efficient. Early risk identified on school transport.

Statutory direction was fully accepted. Would have preferred the timing to have been different, as families overall had expressed more satisfaction.

Denise thanked Neil for the report and asked for clarity on the progress being made in addressing the backlog, per cent completed in 20 weeks and any challenges being experienced regarding the additional financial impact of SEND on early years providers particularly those in the maintained sector.

Backlog estimated value now provided. Completed twenty seven plans in July, however expected the percentage to be low while the backlog was being dealt with as the approach was to reduce this and achieve incremental improvements on overall time taken. Had a live cases dashboard which showed where they were in the process. Every individual panel decision was also included.

Your correct early years not mentioned in the report. Higher percentage of children in early years that had higher needs, and this was creating a financial pressure as this was sometimes pre diagnosis. In relation to take up, the number of cases with children with learning difficulties starting their education later, rather than earlier, was something that also needed to be looked at. More support and education for parents was required in order to get their children into schools and or settings sooner to get the help they needed. This aligns with the preventative work and spend to save in this area. Sue was trying to change the narrative on this.

**7. AOB:**

**7.1** None.

**Meeting closed at 12pm**