

Finance Board – held on Thursday 18 January 2024

Present:

Commissioners:

Denise Murray Finance Commissioner, Chair

Ged Curran, 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 Kaur Mann – Labour Group Leader

Officers:

Stephen Brown, Chief Executive and Head of Paid Services (remote)

Sue Butcher – ED Children's Services, Chief Executive Slough Children's Services

Sarah Hayward – ED Strategy & Improvement (remote)

Stephen Taylor, Monitoring Officer (remote)

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

Tom Mulloy – Deputy Director Financial Management

Ruth Hodson – Deputy Director Financial Management

Dean Tyler – Associate Director of Strategy & Insight

Secretariat:

Mandy Brown - Chief of Staff to the Commissioners

Nasreen Brittain – Executive Assistant to the Commissioners (minutes)

Also Present:

Andrew Merritt-Morling Programme Manager

Mark Halligan Property Director (Interim)

Deemle Brain Programme Manager

John Hickson Finance Lead

Not In Attendance:

Gavin Jones, Lead Commissioner

Minutes

1. Welcome and Introductions and Declarations of Interest

1.1 Denise welcomed everyone to the meeting. No declarations of interest declared.

2. Minutes of the Meeting held on 21 December 2023 / Apologies

Apologies for minutes being submitted late. Due to the sensitivities included, these will be ratified at the next board in February to allow time for full and proper review.

3. Dedicated Schools Grant Safety Valve Progress Update (Sue Butcher)

3.1 Sue provided an overview of the second DfE safety valve agreement monitoring report December 2023, with key targets, actions and summary of key information and risks.

SBC remained on track to meet the deficit control and reduction targets set out in its Safety Valve Agreement and there were no significant changes since the last monitoring report was submitted in September 2023. All the RAG ratings remained unchanged with only Risk 4 not rated Green.

The 2023-24 Period 8 (November 2023 position) Budget Management report for High Needs DSG had total forecast spend of £24.9m against a budget of £25.1m. The previous monitoring report identified a backlog of 290 EHC plans with additional forecast spending of £2.6m. More work had been carried out to refine forecasts and the pressures re backlog cases had now been factored into the overall outturn position and the predicted position for 2023-24 remained largely unchanged at an underspend of £0.155m.

The actual predicted DSG Deficit position for the end of 2023/24 was a reduction to £11.0m once the Safety Valve contribution of £3.2m was received. Overall, in 2023-24 the four DSG blocks were projected an underspend of £0.6m .

3.2 SEND placements commissioning was more refined and key identified risks attributed to the areas outlined below and actions being taken to mitigate them where summarised for the Board.

- Increased volume of EHC Plans
- Service delivery and workforce capacity
- Demographic and inflationary pressures
- Escalating cost pressures and shortage of special school places
- Local Authority commissioned alternative provision places
- General reputational and legal

Denise reflected that DSG SEND / High Needs was multifaceted and currently the largest transformation programme. Volume and financial information was requested in relation to current level of assessment backlogs (greater than 20 weeks) and number of CYP with ECHP stating non mainstream setting that were in mainstream schools waiting for a placement?.

Action: Sue to get the number of CYP with ECHP attributed to non-mainstream schools waiting for a placement for Denise Murray.

Sue reported the EHCP backlog in excess of 20 weeks were coming down. It had gone up slightly since December primarily due to leave over the Christmas period.

Action: Sue to provide Commissioners with the up-to-date number for the EHCP backlog.

Denise requested that these challenges and potential financial implications be made clearer in the report going forward and sought clarity on the sufficiency of resources to deliver the programme. Sue had no specific resourcing concerns at the moment.

Denise commended Sue and her team on the good progress to date and stated that given the significance of the programme all members would benefit from a briefing, to understand the programme, outcomes for CYP, the difficult decisions that needed to be made and any risks. Cllr Chahal agreed regular briefings would be a very good way forward and welcomed this idea. Sue reflected that many of the members were also school governors which would be valuable to use in a deeper way.

The Leader also endorsed the briefing sessions and reported they had a task and finish scrutiny panel involved in SEND, which had significant involvement in this area.

Ged echoed the strong comments and supported the effort that had gone in so far and asked about the scale of the placement risk. Sue wasn't overly concerned at this stage and as stability of placements for children needed to be paramount.

Commissioners endorsed the work done so far.

4. Finance Update (Adele Taylor)

- 4.1** In relation to the latest work on closing prior years' ledgers and historical statement of accounts, Adele reported that Tom and Jonathan's contribution had helped move things on considerably and an update had been given to audit committee on Wed 17 January. Three years' worth of ledgers had been closed in the past two months, which is a significant achievement. Work was ongoing to close last two years' ledgers, i.e., 2021/22 and 2022/23.

Had additional assurance support from EY. Minimum revenue provision work was also taking place to ensure the numbers were correct which would then form part of the budget.

Statement of accounts: not all outstanding accounts would be subject to audit, however was keen to do 22/23 as these would be the first set of 'clean' accounts.

Denise thanked Tom Mulloy and the team for the work they had done, in making good progress on closing the ledgers over the past few weeks. Reiterated the need to prepare and publish accounts for all years and given the public interest it was important that we give clarity on how assurance will be provided on 22/23 accounts.

4.2 External support from Ernst Young (EY):

Work underway by EY to review significant areas of MRP and produce a MRP model and formal technical advice on appropriating capital receipt from HRA to General Fund.

Value For Money (VFM): – Grant Thornton to start the value for money work but needed some assurance from the Council on where it was with implementation of prior actions. This would cover 2 years and take the Council up to 22/23 on the Value For Money work.

In year update - Period 9 Monitoring: No figures produced for the Board as early in the reporting cycle. There were some pressures emerging, particularly with temporary accommodation and adult social care and deep dives scheduled or to be scheduled to see where things are in these areas. Bad debt was also an area under review, no numbers were available at today's meeting, but Adele confirmed she would be able to provide numbers at a later date.

Denise asked CLT members present for an overview of their P9 position. Marc Gadsby reported that the adult social care monitor had an adverse movement with cost pressures which was significantly higher than predicted. This was affecting 22/23

and 23/24 and would be reflected in the numbers and expectation going into 24/25. Pat Hayes reported a stable position. Sue Butcher had nothing further to add.

Overview on MTFP: Draft budget had gone to Cabinet in December. Scrutiny Committee was due at end January. detailed presentation on each of the budget proposals would go out today. There were discussions taking place in terms of the provisional local government financial settlement, capitalisation direction and council tax. The Council was looking to completely reduce any reliance on the budget smoothing reserve for the 2024/25 budget, and therefore, CLT were looking at further savings to bridge the gap.

Mandy Brown updated that there had been no firm decision yet. The Minister was considering things and it could be several weeks before a final decision was communicated. Denise said the budget may need to be prepared in the absence of confirmation from government and as such the planning assumptions needed to be made clear to members to ensure they knew and understood the position and the implications. Members needed to know what the scale of the gap to be bridged was, noting there had been reported changes in the provisional settlement including the Services grant being lower than anticipated.

Post the provisional settlement. In order to bridge the gap without using budget smoothing reserves and Council Tax, the Authority would be looking at a further £4-£4.5m savings. The Leader responded that he had spoken with the Minister and was considering the position. Modelling was being done to see the different scenarios. Denise stated that in addition to this gap we also need to be mindful that there was still a requirement of £23m of exceptional financial support from the government for 2024/25 and the Council need to do all it possibly could to minimise this. Additional savings in this order to bridge the remaining gap may require difficult decisions to be made.

Ged responded by saying the overarching strategic issue remained the same, which was how the team could support the Council in achieving its sustainability goals within the budget it had, without requiring additional support from government.

Cllr Mann sought clarity on the information to be provided at Scrutiny if the minister had not responded by 30 January and the need for an informal briefing to be scheduled to enable Councillors to understand the real situation around additional savings. Adele confirmed her offer of assistance to all groups if they required it.

The Leader encouraged any suggestions for savings, but also for income generation as well. Denise agreed the need for informal briefing with members outlining the revisions to the assumptions in the draft budget report.

4.3 Internal Audit Report:

- a) Updated provided on the implementation of the outstanding internal audit actions indicating the steady progress was being made with 80% and 47% of actions were completed as of December 2023 for 21/22 and 22/23 respectively. An updated position was also provided on the audits to date. These included seven that had been finalised with two in management review. Adele wanted to provide assurance to the Board that this was not a tick box exercise and that nothing would be signed off unless actions were complete.
- b) Adverse movements noted in the report were due to factors such as (but not limited to) resourcing, some recommendations not being implemented by their due dates and two additional audit reports having been finalised since the previous month.

Denise wanted to further explore the 21/22 outstanding internal audit actions and said the Authority would not want to have 21/22 actions outstanding going into 2425.

Many actions were in the areas of the ED for Property & Housing and the ED for Strategy and Improvement. Pat Hayes reported that many of the historic actions

had been completed and could be taken off, as issues had either been resolved or were no longer relevant.

Adele updated on behalf of Sarah Hayward and reported that many of the actions were in IT and would also be resolved. There was one action which would not be **resolved in 23/24**.

- c) On recruitment and staff turnover Denise wanted further insight into progress and impact on the Internal Audit Plan. Adele reported that some good recruitments had been made recently. It was a small team, and all working at pace and were out for recruitment this week. Denise thanked the team for their continued work, which Cllr Chahal also echoed.

4.4 Finance Improvement Action Plan

- a) The exception report and updated action plan was noted, including the project support identified for the improvement action plan delivery, due to start January 2024 and the new Board set up, which was due to have its first meeting week commencing 22 January.
- b) Cllr Chahal wanted to acknowledge the amount of work that had been achieved to date, while recognising the work that remained to be done and said having a draft budget and medium term strategy in a timely manner had been a positive step. How the Authority stabilised the financial position would be key going forward. Once that was achieved, would need to ensure the Council was robust and on a solid platform. It is clear that we will need to right size the Council in order to survive and wanted to provide assurance that the focus and intent was there. The Leader agreed with this sentiment and felt that it was better to drive change than a forced change.

Commissioners agreed with the comments made.

5. Asset Disposals Programme Update (Pat Hayes)

- 5.1 Asset disposal spreadsheet was tabled and would be circulated to the Board posts the meeting.
- 5.2 Verbal update given. Pat Hayes reported the position on this was dynamic, and the numbers would change over time and a HRA pipeline of surplus assets was also being explored.

The schedule contained 8 groups and the areas of focus were groups six and eight.

- a) Group six assets were being prepared to go to market. There had been some delay in launching these assets in the calendar year. Of the £80m there were £35m ready to sell. Work was being undertaken to add value to these assets, progress with this group had stalled and actions were in hand and Pat reported they should be able to bring these assets to market in the next couple of months.
- b) Group 8 pipeline: individual assets not yet identified. There were opportunities within both general fund and HRA which had to be tested with members, and to this end, were doing a cabinet workshop to cover this and commissioning a review of non HRA assets.
- c) Pat reported the HRA report was going to March cabinet. Denise reiterated that the Council needed to follow an appropriate decision pathway prior to market and Cllr Chahal reiterated this needed to be ready for February cabinet. Commissioners agreed, and asked officers to resolve the barriers.

6. Benefits Update (Adele Taylor)

- a) The Benefits update report which included good progress in reducing the backlog (7,612 outstanding items June 23 to 1,393 items with the oldest being 20 days on 3 January 2024), improved speed of process new claims (In month 29.62 days from average 56.57 days) and change in circumstances (In month 7.64 days from average 24.27 days) and other revenues and benefits metrics was noted.
- b) Adele reported the positive impact of the improvements made by the Service and that the DWP performance meetings would be moving from monthly to the standard quarterly meetings.

Denise commended the team for the good work they had done in this regard.

7. Procurement & Contract Management Update (Claire Priest)

- a) Claire provided a summary of progress of improvements in procurement and contract management since the last report to the Board in August 2023 and reported that they continued to embed learning and best practice into the organisation, optimising external networks and engagement with small and medium sized enterprises.
- b) The Procurement Act enables local authorities to design procurement procedures that reduce barriers for SME's and allow suppliers to showcase and evidence their ability to deliver. The implementation of the Act will require a major revision of the contract procedure rules and the Council have formed a Procurement Act Working group, with Harrow, Hounslow and Barnet, to share resources, best practice and learning and we are also planning a member briefing on the Act.

Denise recognised the act was due for implementation in October 2024 and as such all regulatory requirements and governance changes would need to be in place by the end of the summer. Using procurement to drive innovation is a major theme of the new procurement regime and the Council would need to think about how this will be reflected in their framework.

- c) Further developments proposed for 2024 included implementation of a commercial strategy to include commercialisation and contract management. Developing assurance processes such as contract management plans. Enhancements to internal systems and processes supported by the Procurement officer and IT systems and continued efforts in recruitment to fill vacancies.
- d) Risks: the ability to recruit to an in-house team remain a risk for the Council.. Mitigations and actions being taken included market supplements (where appropriate), optimise use of social media, networks etc, use agencies to recruit permanent hires.
- e) Denise asked what the timescale and approach was for a peer review of the service. Claire reported she was not aware of one for 2024. The LGA had commissioned one in 2022. If there were any opportunities to do a peer review, Claire would welcome them. Denise referenced the previous Scrutiny report outlining that an independent review will be required.

Action: Claire to look into a peer or other independent review for 2024.

Ged reflected that procurement was a success story within Slough and thanked Claire and the team for the good work they had done to date.

8. AOB

16 November Finance Board minutes were approved.

Date of next meeting: Thursday 15 February at 10am in the Council Chambers.

The Meeting opened at 10am and closed at 11.32am)

APPROVED FB Minutes 18.01.24 for Website