

# Finance Board – held on Thursday 15 February 2024

## **Present: -**

### **Attendees:**

#### **I. Commissioners:**

Denise Murray Finance Commissioner, Chair  
Gavin Jones, Lead Commissioner (remote)  
Ged Curran, Commissioner

#### **II. Members:**

Cllr Dexter Smith – Leader with responsibility for Improvement and Recovery  
Cllr Wal Chahal Deputy Leader and Lead for Financial Oversight & Council Assets

#### **III. Officers:**

Sue Butcher – ED Children’s Services, Chief Executive Slough Children’s Services  
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  
Stephen Taylor, Monitoring Officer

#### **IV. Secretariat:**

Mandy Brown - Chief of Staff to the Commissioners  
Nasreen Brittain – Executive Assistant to the Commissioners (minutes)

#### **V. Also Present:**

Ruth Hodson – Deputy Director Financial Management  
Merritt-Morling Programme Manager  
Deemple Brain Programme Manager  
John Hickson Finance Lead

#### **VI. Not In Attendance:**

Stephen Brown, Chief Executive and Head of Paid Services  
Sarah Hayward – ED Strategy & Improvement  
Cllr Pavitar Mann – Labour Group Leader

FB 15.2.24 DRAFT MINUTES FOR APPROVAL ON APRIL 24

# Minutes

## 1. Welcome and Introductions and Declarations of Interest

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

## 2. Minutes of the Meeting held on 18 January 24 and 21 December 2023

Minutes of the meeting held on 18 January and 21 December approved.

### 4. Finance Update (Adele Taylor)

- 4.1 Ledgers for prior years have been closed. Adele thanked her team for the work that they had done on that. Ernst Young (EY) are working on getting the Akzo Nobel numbers in the right place and finalising the review.
  - 4.2 Speaking with Grant Thornton (GT) on the level of detail they may need for the historic statement of accounts as part of the additional assurance piece.
  - 4.3 A consultation has been released this week around the historical accounts, i.e., the backstop date for completion. Adele will prepare a briefing for the March Audit Committee. Overview of what has come through the consultation was given.
  - 4.4 Dates confirmed: for accounts 23/24 backstop date is May 2025. For accounts 24/25 the date is 31 March 2026. 26/27 accounts backstop will be 28 November. Denise reminded the Council there needs to be a clearing of all historical accounts to 22/23 by 30 September 2024. For the 19/20 to 21/22 accounts, the level of detail that will be required needs to be established, with discussion with GT re the minimum level for areas such as the disclosure notes. It is about what is 'good enough' whilst remaining compliant with the code. For 22/23 accounts, however, will need much more detailed information due to the impact of the closing balances on the accounts for 23/24.
  - 4.5 Denise reported that the Council will need to have produced and published for inspection the previous 4 years' of accounts and commenced some degree of audit on each by 30 September 2024. These will also need to be done in chronological order. So, a plan needs to be put in place for this to happen. From the public inspections may flow objections, which would then need to be investigated and reviewed within that timeline. Denise reiterated that it was a significant piece of work and paramount that Adele had the resources to do this. Would need to include the resource ask in the plan that would be put together by Adele.
  - 4.6 Adele reported they were also live with the Value for Money (VFM) audit. Information was being produced for the auditors Grant Thornton, for 21/22 and 22/23 simultaneously. Should have that information ready for them this week. Grant Thornton would then finalise the risk assessment based on the information they were given by the Council. Cllr Chahal wanted to know where the resources for this and the previous item would be found. Adele responded that while the resources were difficult to find, she would find them. Cllr Chahal wanted the plan to be realistic. Adele responded that an interim replacement for Director of Strategic Finance was starting on Monday 19 February. Discussions with Grant Thornton had been very useful in setting out expectations. The Leader wanted to know whether the recent problems with Q3 outturn and Agresso figures from the internal accounting systems, were related and would they accounts be affected by the issues with the different recording systems. Adele responded that the work on the historical statements would not be held up by this issue.
- I. **3.7 Ernst Young (EY) Progress: Adele Taylor**
  - II. Very significant progress around MRP. The outcomes of that had fed into the budget model for next year. Discussions around capital disposal had begun.
  - III. Adele would spend time with the new interim on Monday with EY to go over the work that needed to be done.
  - IV. Denise asked whether there would be an output for EY or report to come to Finance Board. Adele responded that regarding Akzo Nobel and MRP she expected a report from EY regarding this next week. Denise hoped this would finally resolve the HRA issue.

**Action: Adele to bring the MRP and Akzo reports from EY to the next Board in March.**

**IV. P9 Monitoring: (Ruth Hodgson)**

- a) There was a forecast overspend at the end of Quarter 3 of £10.8m. This was a deterioration from the previous position reported to cabinet of £8.2m. Whilst mitigations were urgently being looked at, it was clear at this stage of the year there was limited scope to reduce the overspend to a significant extent.

The predominant theme with both the overspend in absolute terms, and its worsening, was in respect of demand levels in Adults Services and Homelessness. In both areas there were acknowledged concerns about the quality and timeliness of data held in prime systems. The cost of temporary accommodation showed an increase of £2.5m in the overspend. In Adults the overspend had increased from £9.0m in Q2 to £11.8m this quarter, which was an unfavourable movement of £2.8m. In Children's where an underspend in Q2 of £0.9m was now showing as an overspend of £0.5m, which was an unfavourable movement of £1.4m.

- b) Savings and Mitigations were outlined in the report with some savings now considered unachievable in year for a number of projects. The existing pressures within the system exceeded the original savings that were delivered from the activity taken from these savings.

The contingency budget contained an allowance for non-delivery of savings of £3m.

- c) Denise asked each ED to respond regarding the variance and pressures for their areas:

- i. Marc Gadsby responded there were various factors. 33% of the overall movement was increase in demand. Not more people, more about the overall complexity of needs. Also dealing with historic issue of provider uplifts and the methodology for next year was also being devised. Regarding the increase in demand, we are reviewing service packages, a line by line enquiry of expenditure as there was currently a lot of manual adjustments to try and increase confidence in the data.

S117 clients, local residents in aftercare arrangements. The Council had limited influence over market and costing but could take more control of being more innovative in how this was delivered. This would be alongside a data integrity report that would go to DLT.

Ged asked, for progress on continuing healthcare discussions with Health. Marc was very confident that the savings would be achieved, were looking at deferred payment agreements and were cleaning up the data. There was also disparity nationally around income guarantee.

Denise reflected the scale of movement was a significant jump and wanted to know why this had not been visible previously. Were there issues that needed to be resolved in relation to the data? She wanted Marc's view as to whether the team could take a more corporate view on supplier engagement. Marc responded that liquid logic and ContrOCC had different information to one another. They had put together a team of people last week to look into this and investigate. A data integrity report (Power BI) was being produced at the moment. This was on the IT plan for this year and was being done with data insight team.

Cllr Chahal added that when they were made aware of the data integrity issue, there was real concern, and he had asked for a detailed review which Marc's team produced. He wanted a 'lessons learned' report to be produced to prevent it happening again and wanted all EDs to do this across every area. There had been a robust discussion at the Leaders and Directors meeting, where it was made very clear what was expected in terms of budget monitoring and data integrity. The political leadership would be doing a lot more deep dives into the finances going forward as they needed to be confident in the data being presented. The political leadership did not want any surprises moving forward. Adele responded that she would be doing a quarterly review during 24/25.

- ii. Pat Hayes reported on temporary accommodation and said the number of presentations had started going up rapidly. It had originally reduced from just over 700 to 650, however, had since seen 35-40 presenting as homeless. Were also getting more large families presenting. It was difficult to find properties to house larger families.

The cost of the properties was also rising significantly. Did not have a private sector leasing scheme, however wanted to lease 100 properties per year and consider out of Borough placements as the position was not sustainable going forward. The market was difficult, with increases being driven by London Boroughs.

Adele responded that rent accounts not being set up was another factor. Now had more people with rent accounts so this would have an impact on next year and provide more confidence going forward.

Denise said these issues were raised at the start of the year by Commissioners and were given assurances that this wasn't impacting Slough despite the national picture. So, what had changed? Pat responded that this was due to the larger families presenting, and in higher numbers. Where previously felt that prices were flatlining, this had not turned out to have been the case. Talking to build-to-rent landlords to find out why this increase was occurring.

Pat said they were beginning to do a 'general needs' consultation, however a lot of the void properties that were now usable, were only one bedroom properties, this didn't help larger families requiring placements.

Regarding the private sector leasing proposition, Denise asked whether a robust business plan been done. She reminded the Council it needed to have done proper due diligence before this could go ahead as dependent on the approach it could be considered a finance lease and on the Council's balance sheet.

- V. Sue Butcher reported that the reasons for the shift were around SEND staff and caseworkers. Have had several resignations in the service. Some dip sampling been done, and the challenges were similar, though, more remote working was allowed in other areas. Looking at the possibility of more EPC assessments to be done, put in £50k. Good news in this regard.

Interim staff contracts had been moved to permanent in SCF, but not in SEND and some areas were outlier in respect to the change in hybrid working policy. The ten days required to take over the Christmas period had also thrown up some anomalies.

Cllr Chahal reflected that he and the Leader wanted the statistics to see what the figures were for those coming into the office and to ensure the policy was being implemented consistently. Denise added that the reporting should also outline any unintended consequences.

Ged stated that in the absence of data the reliance is on varying impressions from different people. The policy had been instigated by the leadership and needed to be adhered to. This was a significant weakness as there was an absence of rigour. Anything that was being applied across the organisation needed to be applied consistently.

### **3.8 Overview on MTFP: Adele Taylor**

- I. A 5<sup>th</sup> round of savings and pressures submitted. This was necessary following changes to planning assumptions in the draft budget report submitted to Cabinet on 18 December 2023.

On Council Tax, where 4.99% was previously assumed, now 8.5% (inclusive of ASC precept).

On use of reserves, where a £3.5m drawdown was previously assumed for day-to-day expenditure, this has been completely removed but a new £2m earmarked for Transformation.

On Funding, where there were differences in the provisional settlement compared to final settlement assumptions, the main issue was around increases in pressures. Deep dives had been done to consider the potential impacts on next year's budget. Some were one-off pressures that had been dealt with in-year. Adele was confident the

pressures would be the same as those in the draft budget. But there was a need to tightly manage the savings.

Denise commented that in adults the pressures were of a recurring nature. Needed to ensure that they are appropriately mitigated and that the first report in the new financial year was not one of recurrent pressures as such needed to be clear about their confidence in the mitigations. Adele felt had addressed the in-year challenges. But recognised they have a cash limited budget.

Denise reiterated the capitalisation direction numbers and that there was a clear expectation that the additional funding and govt. grant would see a reduction in the CD balance and reduce the need for further financial support.

Adele said the CLT had right sized many of the budgets for 24/25 onwards. Things like the operating model had to be implemented which should be about reducing the need to rely on additional CD. Cllr Chahal added he and the Leader were focused on the Op Model and the transformation of the Council which had to be delivered at pace. Pre-Christmas they had had a meeting to discuss their desired requirements of the TOM and they would like to see the outcomes of that.

Denise said the additional CT and savings needed to be baseline. Cllr Chahal reflected the finance team have been working very hard over the last 6 months which the leadership were grateful for. Thanked Adele the teams and in particular, Marc and his team for the work done. The Commissioners also recognised that.

## **5. Asset Disposals Programme Update (Pat Hayes)**

### **I. 4.1 Monthly Highlight Report – February 2024**

- I. Run through monthly position. Focused on the smaller assets over the last few months. Have had some good success. Market is showing signs of improvement. Getting good offers. Marketing pack is being produced.
- II. Completed two sales. Overall, Pat remained confident the £440m figure would be achieved, dependent on the interest in investment assets. Were working towards 31 March 2025 to achieve the target figure.

Denise commented that last month the focus had been on themes 6 and 8, and that in theme 6, targets not achieved. Pat responded that except for 1 asset, the others would reach the target price when re-submitted to market.

Cllr Chahal reflected that residents in Slough, including local businessmen had expressed their interest in purchasing some of the smaller commercial assets, which was a good sign.

Denise asked about the HRA assets and sites, and whether a report was being taken to February Cabinet, Pat responded that it was not. It would be March/April instead. Denise expressed concerns re ongoing delays and impact on disposal programme.

## **6. Items for Noting (Adele Taylor)**

- I. Finance Improvement Plan Feb 2024  
No further comments made.
- II. Update Internal Audit Action Plan  
No further comments made.
- III. **Update Revenues and Benefits**  
Adele reported that DWP had moved the Council to standard reporting timeframes which was a very positive step and thanked everyone for their contributions.

## **7. AOB**

- a) Cllr Chahal felt there was a need for a Commissioner/CLT engagement session to help solidify relationships.

Action: Nasreen to arrange a meeting for a Commissioner/CLT, after the Ministerial response had been published, which would be within the next couple of weeks.

**(The Meeting opened at 10am and closed at 11.28am)**

### **Date of next meeting**

**Thursday 4 April 10am in the Council Chambers.**

FB 15.2.24 DRAFT MINUTES FOR APPROVAL ON 4 APRIL 24