

Finance Board held on Thursday 26 September 2024 – Minutes

Present:

Attendees:

Commissioners:

Denise Murray Finance Commissioner, Chair
Ged Curran, Commissioner

Members:

Cllr Dexter Smith, Leader with responsibility for Improvement and Recovery
Cllr Christine Hulme, Deputy Leader of the Opposition (deputised for Cllr Mann)

Officers:

David Coleman-Groom, Interim Executive Director of Adults' Services
Annabel Scholes, Interim Executive Director of Finance and Commercial Services (S151 Officer)
Patrick Hayes, Executive Director Housing, Property & Planning (deputised for Will Tuckley)
Sukdave Ghuman, Monitoring Officer

Secretariat:

Mandy Brown, Chief of Staff to the Commissioners
Annabelle Lim, Deputy Chief of Staff to the Commissioners, minutes

Also Present:

Chris Holme, Interim Finance Director
Sonia Khan, Director of Strategy, Change and Resident Engagement
Kelly Evans, Director of Public Health
Deemle Brain, Programme Manager
Stephanie Clarke, Programme Manager
Dave McNamara, Interim Finance Director
Peter Hopkins, Property Director John Hickson Finance Lead
Mike Smith, Head of Financial Governance
John Hickson, Interim Strategic Finance Manager
Marcus Richards, EY Corporate Finance Practice
Martin Chalmers, Director Digital, Data & Technology
Neil Haddock, Strategic Finance Manager (Financial Planning)

Not In Attendance:

Will Tuckley, Interim Chief Executive and Head of Paid Services
Gavin Jones, Lead Commissioner
Sue Butcher, Executive Director Children's Services and Chief Executive Slough Children's Services
Tessa Lindfield, Director of Public Health
Cllr Wal Chahal, Deputy Leader and Lead for Financial Oversight & Council Assets
Cllr Pavitar Mann, Leader of the Opposition

Minutes

1. **Welcome and Introductions**

1.1 None.

2. **Declarations of Interest**

2.1 No declarations of interest.

3. **Minutes**

3.1 Minutes approved from Finance Board held on 29 August 2024.

4. **Finance Update, Monitoring & savings Forecast 24/25. Sensitive and Commercially Confidential Papers (Annabel Scholes)**

4.1 We have balanced Q1 pressures with indicative mitigations but are still going through the due diligence process and pressures continue to emerge. This is part of the reason for a new financial oversight approach to provide support for high demand and high-cost areas where remaining balanced is challenging. The reserves position is not where we want it to be for 2025/26 and we are seeing Capital Programme slippage. Without taking Action, we won't be financially sustainable. A November consultation is planned for the 2025/26 budget.

4.2 The design authority is currently being developed with a piece relating to growth and savings proposals and a project room planned. A clear message will be that we cannot simply fund forecasts that indicate the need for more money. Demand has increased and while areas such as investment in the voluntary sector have been leveraged, others could be maximised such as the promotion of user portals. We need a demand management strategy.

4.3 On temporary accommodation, we are facing real demand pressures and are struggling to understand the scale. Work is in progress to address this and 2 new interim senior managers are in place, however, given the starting point of limited expertise and lack of best practice in place, the challenge continues. We are reducing an overspend rather than producing cashable savings.

4.4 On Children's, SEND is the main place we need to work on, alongside SCF. There is the high needs block, with a specialist team driving through the backlog of EHCPs. As we work through this, we'll likely see the number of places and costs increase. We are in the process of calculating costs, including a more granular forecast on the high needs block for 24/25 and for future years but this will take time. We have some headroom in the expected SV forecast but expect some to be consumed by increase demand.

Action: Annabel Scholes to provide further information on the demand management strategy and achieving an in-year balanced budget given current due diligence indications.

Priority Action: Sue Butcher to come back to the next Board with details on EHCP forecast (activities and indicative costings).

5. **Refresh Rolling MTFs & Capital Strategy: (Annabel Scholes)**

5.1 We are seeing more challenges as we get further into the process and currently the financial picture is not sustainable, with the need to have difficult conversations around short-term decisions vs the TOM. The 3 main pressures are Adult Social Services, IT Investment and Homelessness. Project rooms are facilitating cross-working and new thinking with wider members of the workforce being included, such as social workers in Adult Social Care discussions. Part of the project rooms remit will be evaluating growth pressure vs associated risks in relation to bids. We are fully engaging members through Star Chambers and each portfolio holder has sat with the relevant director. While the report shows the challenge is still with us, we are pushing to ensure collective ownership and honesty.

5.2 On IT, it is important to recognise the transformation is not isolated but can be an enabler of wider organisational change, and as such, its strategy is tied up with that of the TOM implementation and project room work. Currently there are 3 emerging themes: the importance of tech in enabling a digital point of access, the value of tech in helping to improve process and the applications of improving quality and use of data. Within the growth propositions, we have indicated a provision for tools to support the transformation but not for the people needed. Some categories are not yet in the proposals. We are working with the transformation team to ensure resources are not counted twice. Actual drawn down will be based on specific business cases.

Action: Annabel Scholes to keep Denise Murray updated on outputs from the project rooms, next steps and timings for full member briefing on MTFs.

6. EY Progress Update: (Annabel Scholes/Marcus Richards)

6.1 With the new audit backstop date, the deadline for accounts up to 2022/23 have been moved back to the 13th December 2024 and the deadline for 2023/24 has been brought forward to the end of February 2025. We have had significant problems with regards to 2021/22, particularly relating to the DSG and a collection fund historic issue going back to 2018/19, requiring us to resubmit multiple NNDR3 forms. This will impact opening balances from 2019/20 onwards. In terms of the status of the production of accounts, 2021/22 are nearly ready with just the outstanding collection fund and DSG issues to be resolved. 2021/22 and 2022/23 are expected to be produced by the end of October.

6.2 Capacity remains an obstacle to progress. Different resources are being brought in to support the team but achieving the 2023/24 accounts deadline will be difficult. The level of spend incurred in Finance is above the budget allocated and we will be taking a report to Cabinet to ensure appropriate oversight.

7. Finance Improvement Plan: (Annabel Scholes)

7.1 There have been noticeable regressions around the MTFs and internal controls. Bringing in new work streams has been the biggest challenge. Internal controls are not established or embedded into corporate systems. Workshops are in train to refresh the corporate risk register and we are linking into the piece of governance relating to risk associated with companies. The Head of Internal Audit outlined that an interim risk manager has started with the internal audit team and a risk register is being developed to help drive the audit process.

8. Asset Disposal Programme: (Pat Hayes)

8.1 We are working to create a valid data pack that better reflects the latest forecast. The due diligence required of the project room is figuring out material / realistic asset disposals for delivery up to 2026/27. On member engagement, oversight of various workstream is paused while we come out the project room deep dives. A strategic asset management plan is to sit alongside the MTFs in November. We are having conversations on community assets and a community asset transfer policy is being developed.

Action: Peter Hopkins to refresh the report with the latest information, further advise of risks and challenges to the Asset Disposal Programme, especially on the HRA position.

9. 24/25 Internal Audit Overview, 24/25 Internal Audit monthly Actions: (Mike Smith)

9.1 An internal audit improvement plan is in progress. We finished last year's audits last month. 10 of the reports related to finance, 6 of which were areas that have been audited repeatedly which is inconsistent with audit principles. Given capacity constraints, including a recruitment stall and current officer training, we won't be able to complete the current 22 audits in the 2024/25 audit plan, hence the need for a refreshed corporate risk register to identify priorities.

9.2 We need to recalibrate outstanding recommendations, particularly without current anticipated additional resource. The process at the moment is that these are sent to CLT on at least a monthly basis. We have communicated to directors the need to close Actions by the end of this month.

9.3 These issues and the ongoing unresolved issues regarding audit independence continues to impact the effectiveness of the function.

Action: Annabelle Lim to schedule a meeting with Mike Smith, Denise Murray and statutory officers regarding internal audit independence and resourcing.

10. Corporate Qtly Risk Report & 11. Audit & Corporate Governance Committee – Annual Training Programme: (Mike Smith)

10.1 We are making progress and at the end of November, we should have reasonable risk registers in place for 2024/25. We have seen good engagement with risk workshops. Mitigations plans are in place and are being managed but we currently lack a central tracking mechanism. We are considering reinstating the risk committee to review mitigations. As per audit, there is currently no risk management system in place, but we are pulling together a business case.

Action: whilst long term system solutions are being considered for Audit / Risk, Mike Smith to bring interim mitigation tracking process to a future Finance Board.

11. AOB

11.1 None.

(Meeting closed at 12.30am)

Date of next meeting

Thursday 24 October 2024 at 11am in the Council Chambers.