

Date of issue: Thursday, 10 March 2022

<b>MEETING</b>	<b>COUNCIL</b>
<b>DATE AND TIME:</b>	THURSDAY, 10TH MARCH, 2022 AT 7.00 PM
<b>VENUE:</b>	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
<b>DEMOCRATIC SERVICES OFFICER: (for all enquiries)</b>	SHABANA KAUSER 07821 811 259

### SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

- \* Item 10 was not available for publication with the rest of the agenda.
- \* Items 3 and 5 (ii) is an updated version of the papers circulated with the agenda.

### PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
3.	Recommendation of the Employment and Appeals Committee from its meeting held on 16th February 2022 <ul style="list-style-type: none"><li>• Updated Pay Policy Statement Update 2022/23 – Appendix B</li></ul>	1 - 4	All
	Budget Procedure Note	5 - 6	All
5.	2022/23 Revenue Budget <ul style="list-style-type: none"><li>(i) Amendment to recommendation regarding Members Allowances Scheme.</li><li>(ii) Updated Appendix B – Council Tax Resolutions</li><li>(iii) Addendum – Acceptance of Indicative Capitalisation Directions for 2016/17 to 2022/23</li></ul>	7 - 20	All

**AGENDA  
ITEM**

**REPORT TITLE**

**PAGE**

**WARD**

10.	To receive updates from the Best Value Commissioners (if any) <ul style="list-style-type: none"><li>• Decisions taken by the Best Value Commissioners on 9<sup>th</sup> March 2022</li></ul>	21 - 24	All
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**NJC Local Government Pay Agreement 2021-22**

OLD SCP	NEW SCP	Pay Level	Basic Pay Apr-21	FTE Local Weighting	Inclusive Annual Pay	Inclusive Hourly Rate
9	2	Level 2	18516	965	19481	10.10
10	3	Level 2	18887	965	19852	10.29
11	3	Level 2	18887	965	19852	10.29
13	4	Level 2	19264	965	20229	10.49
14	5	Level 3	19650	965	20615	10.69
16	6	Level 3	20043	965	21008	10.89
18	7	Level 3	20444	965	21409	11.10
19	8	Level 4	20852	965	21817	11.31
20	9	Level 4	21269	965	22234	11.52
	10	Level 4	21695	965	22660	11.75
21	11	Level 4	22129	965	23094	11.97
22	12	Level 4	22571	965	23536	12.20
	13	Level 5	23023	965	23988	12.43
24	15	Level 5	23953	965	24918	12.92
25	17	Level 5	24920	965	25885	13.42
26	19	Level 5	25927	965	26892	13.94
	21	Level 5	26975	965	27940	14.48
29	23	Level 5	28226	965	29191	15.13
30	24	Level 6	29174	965	30139	15.62
31	25	Level 6	30095	965	31060	16.10
32	26	Level 6	30984	965	31949	16.56
33	27	Level 6	31895	965	32860	17.03
34	28	Level 6	32798	965	33763	17.50
35	29	Level 6	33486	965	34451	17.86
36	30	Level 7	34373	965	35338	18.32
37	31	Level 7	35336	965	36301	18.82
38	32	Level 7	36371	965	37336	19.35
39	33	Level 7	37568	965	38533	19.97
40	34	Level 7	38553	965	39518	20.48
41	35	Level 7	39571	965	40536	21.01
42	36	Level 8	40578	965	41543	21.53
43	37	Level 8	41591	965	42556	22.06
44	38	Level 8	42614	965	43579	22.59
45	39	Level 8	43570	965	44535	23.08
46	40	Level 8	44624	965	45589	23.63
47	41	Level 8	45648	965	46613	24.16
48	42	Level 9	46662	965	47627	24.69
49	43	Level 9	47665	965	48630	25.21
50	44	Level 9	48675	965	49640	25.73
51	45	Level 9	49700	965	50665	26.26
52	46	Level 9	50725	965	51690	26.79
53	47	Level 9	51758	965	52723	27.33
54	48	Level 10	52851	965	53816	27.89
55	49	Level 10	53941	965	54906	28.46
56	50	Level 10	55039	965	56004	29.03
57	51	Level 10	56138	965	57103	29.60
58	52	Level 10	57225	965	58190	30.16
59	53	Level 10	58315	965	59280	30.73

**SLOUGH BOROUGH COUNCIL – SENIOR MANAGEMENT GRADES**

<b>GRADE</b>	<b>SALARY RANGE 2021</b>	
SML111	£	60,454
SML112	£	63,227
SML113	£	65,999
SML114	£	68,773
SML121	£	71,488
SML122	£	74,205
SML123	£	76,921
SML124	£	79,637
SML131	£	82,329
SML132	£	86,661
SML133	£	91,221
SML134	£	96,023
SML141	£	98,692
SML142	£	103,886
SML143	£	109,355
SML144	£	112,854
SML151	£	111,176
SML152	£	114,735
SML153	£	120,773
SML154	£	127,131
SML161	£	119,556
SML162	£	125,848
SML163	£	132,474
SML164	£	139,446

**CHIEF OFFICERS FOR LOCAL AUTHORITIES**

<b>GRADE</b>	<b>SALARY RANGE 2021</b>
<b>CE0001</b>	<b>£ 145,254</b>
<b>CE0002</b>	<b>£ 153,826</b>
<b>CE0003</b>	<b>£ 163,421</b>
<b>CE0004</b>	<b>£ 174,307</b>

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**SLOUGH BOROUGH COUNCIL****PROCEDURE TO BE FOLLOWED AT BUDGET COUNCIL MEETING  
10<sup>TH</sup> MARCH 2022**

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If the Council agrees, the procedure for budget debate will be as follows:

(1) The Mayor will call upon the Leader of the Council to move as follows:

**“THAT IN ACCORDANCE WITH PROCEDURE RULE 27.1, RULE 16.5 ON RULES OF DEBATE BE SUSPENDED INSOFAR AS IS NECESSARY TO ENABLE THE PROCEDURE AS CIRCULATED TO BE ADOPTED AND THAT THE COUNCIL CONSENT TO:**

- **MEMBERS OF THE LEADERSHIP SPEAKING FOR UP TO 45 MINUTES IN TOTAL ON THE BUDGET 2022/23;**
- **MEMBERS OF THE OPPOSITION SPEAKING FOR UP TO 20 MINUTES IN TOTAL AND**
- **INDEPENDENT MEMBER - UPTO 5 MINUTES IN TOTAL;**

(2) This will be seconded and voted upon.

(3) The above motion having been adopted, the Mayor will call upon Members of the Leadership to speak for up to 45 minutes.

(4) The Mayor will then call on Members of the Opposition to speak for up to 20 minutes and the Independent Member to speak for up to 5 minutes.

(5) The Council meeting will then revert to normal procedure rules.

(6) The motions for each budget report before the Council will then be proposed, seconded and open to debate. Any amendments notified will be dealt with in the normal way.

(7) Once any amendments have been debated and voted upon, the Mayor will invite other speakers to debate the substantive motion and then move to the vote on the motion before the Council (amended as appropriate).

(8) Throughout the above procedure Lead Members will be entitled to reply to specific objections or questions on their portfolios without prejudice to their entitlement to speak generally in the debate on any amendments.

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**SLOUGH BOROUGH COUNCIL**  
**COUNCIL (EXT) – 10<sup>TH</sup> MARCH 2022**

**ITEM 5:**      **2022/23 BUDGET**  
**PROPOSED AMENDMENT TO PUBLISHED RECOMMENDATION**

There is a change to the recommendation as at paragraph 1.12 of the report (page 49 of the agenda pack) in relation to the following provision:

*1.12 14. Approval of the Members Allowances Scheme for 2022-23 at Appendix I.”*

For clarity, the approval of the Members Allowances Scheme is a Council function as set out in Part 3.4 paragraph 12 of the Council’s Constitution. This recommendation therefore needs to be moved to section 1.10 of the report and becomes recommendation 1.10 7.

The Cabinet agreed on 9<sup>th</sup> March to recommend approval of the scheme as at Appendix I to Council. The amended recommendation is therefore as follows:

*“1.10 The following is recommended to Council:*

*...*

*1.10 7. Approval of the Members Allowances Scheme for 2022-23 at Appendix I”*

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***(Note – this revised version of Appendix B was re-published on 2<sup>nd</sup> March 2022 and replaced the version in the original agenda pack)***

## **Appendix B – Council Tax Resolution**

The Council is required to calculate and set its Council Tax for 2022/23 as required by law by 11<sup>th</sup> March in the preceding financial year to the year in which the charges will be made.

### **Recommendations:**

- 1) An increase in the Council's element of the Council tax for a band D property by £44.56 for 2022/23, giving a band D Council Tax of £1,534.86 per year, excluding the precepts from Police, Fire and parishes.
- 2) This equates to an increase in the Council's general band D Council Tax by 1.99%, the maximum permitted without a referendum as previously planned; and an increase in the Council's Adult Social Care Precept by 1.00% as confirmed by Government in the Final Local Government Settlement.
- 3)
  - (a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 2022 is as specified below and that the Council Tax be levied accordingly.
  - (b) That it be noted that at its meeting on 17<sup>th</sup> January 2022 Cabinet calculated the following Tax Base amounts for the financial year 2022/23 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:
    - (i) 42,286.2 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2022/23 and
    - (ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2022/23

<b>Parish</b>	<b>2022/23 Band Tax-Base</b>
Parish of Britwell	836.4
Parish of Colnbrook with Poyle	1,811.3
Parish of Wexham Court	1,393.9

- (c) That the following amounts be now calculated for the year 2022/23 in accordance with sections 31A to 36 of the Act:
  - (i) £374,909,745 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2)(a) to (f) of the Act. (Gross Expenditure);

- (ii) £309,807,552 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (3) (a) to (d) of the Act. (Gross Income);
- (iii) £65,102,193 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement);
- (iv) £1,539.56 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.
- (v) That for the year 2022/23 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £198,729 representing the total of Parish Precepts for that year.
- (vi) £1,534.86 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (vii) Valuation Bands

Band	Slough Area £	Britwell £	Wexham £	Colnbrook with Poyle £
A	1,023.24	41.92	33.33	28.13
B	1,193.78	48.91	38.89	32.82
C	1,364.32	55.89	44.44	37.51
<b>D</b>	<b>1,534.86</b>	<b>62.88</b>	<b>50.00</b>	<b>42.20</b>
E	1,875.94	76.85	61.11	51.58
F	2,217.02	90.83	72.22	60.96
G	2,558.10	104.80	83.33	70.33
H	3,069.72	125.76	100.00	84.40

Being the amounts given by multiplying the amounts at paragraph c (iv) and c (vi) above by the number which, in the proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with section 36 (1) of the Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (viii) Calculate that the Council Tax requirement for the Council's own purposes for 2022/23 (excluding Parish precepts) is £64,903,464

- (ix) That it be noted that for the year 2022/23 that the Thames Valley Police Authority precept will increase by £10.00 for a Band D property. The Police & Crime Panel at its meeting on 28th January 2022 endorsed the PCC's proposed 4.32% increase in the Police element of Council Tax for 2022/23. The following amounts are stated in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £
A	160.85
B	187.66
C	214.47
<b>D</b>	<b>241.28</b>
E	294.90
F	348.52
G	402.13
H	482.56

- (x) That it be noted that for the year 2022/23 the Royal Berkshire Fire Authority has proposed increasing its precept by £5.00 in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Royal Berkshire Fire Authority £
A	49.30
B	57.52
C	65.73
<b>D</b>	<b>73.95</b>
E	90.38
F	106.82
G	123.25
H	147.90

- (xi) Note that arising from these recommendations, and assuming the major precepts are agreed, the overall Council Tax for Slough Borough Council for 2022/23 including the precepting authorities will be as follows:

Band	Slough £	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £	Royal Berkshire Fire Authority £	TOTAL £
A	1,023.24	160.85	49.30	1,233.39
B	1,193.78	187.66	57.52	1,438.96
C	1,364.32	214.47	65.73	1,644.52
<b>D</b>	<b>1,534.86</b>	<b>241.28</b>	<b>73.95</b>	<b>1,850.09</b>
E	1,875.94	294.90	90.38	2,261.22

Band	Slough	Office of the Police and Crime Commissioner (OPCC) for Thames Valley	Royal Berkshire Fire Authority	TOTAL
F	2,217.02	348.52	106.82	2,672.36
G	2,558.10	402.13	123.25	3,083.48
H	3,069.72	482.56	147.90	3,700.18

With the parish precepts, the Council Tax will be:

Band	Slough Unparished £	Britwell £	Wexham £	Colnbrook with Poyle £
A	1,233.39	1,275.31	1,266.72	1,261.52
B	1,438.96	1,487.87	1,477.85	1,471.78
C	1,644.52	1,700.41	1,688.96	1,682.03
<b>D</b>	<b>1,850.09</b>	<b>1,912.97</b>	<b>1,900.09</b>	<b>1,892.29</b>
E	2,261.22	2,338.07	2,322.33	2,312.80
F	2,672.36	2,763.19	2,744.58	2,733.32
G	3,083.48	3,188.28	3,166.81	3,153.81
H	3,700.18	3,825.94	3,800.18	3,784.58

- (xii) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 2012 Act.
- (xiii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (xiv) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non- Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.
- (xv) That in the event that there are any changes to the provisional precept of the Fire Authority, the Section 151 Officer is delegated authority to enact all relevant changes to the Revenue Budget 2022/23 Statutory Resolution and council tax levels.

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council

**DATE:** 10<sup>th</sup> March 2022

**SUBJECT:** Acceptance of Indicative Capitalisation Directions for 2016/17 to 2022/23

**CHIEF OFFICER:** Steven Mair, Director of Finance (s151 Officer)

**CONTACT OFFICER:** Peter Robinson

**WARD(S):** All Wards

**EXEMPT:** No

**APPENDICES:** The following appendix accompanies this report:

<b>Appendix</b>	<b>Description</b>
A	Letter from Minister

### **1 Summary and Recommendations**

- 1.1. The Council cannot set a legal budget for 2022/23 unless Government permits it to capitalise the estimated accumulated estimated revenue deficit to 31.03.22 of £223m and a further £84.1m for 2022/23. The background to this is set out in the S151 Officers S25 report and 2022/23 Budget Report.
- 1.2. The Minister wrote to the Leader of the Council on 7<sup>th</sup> March 2022 stating that she is minded to approve capitalisation directions for the period between 2018-19 to 2022-23. This is contingent on the Authority reporting to the Department the final amounts identified for which it requires capitalisation for each year, with the agreement of the Authority's external auditors and endorsed by the Best Value Commissioners.
- 1.3. This report requests Members to approve acceptance of the direction in order that the budget can be approved.
- 1.4. Included within the capitalisation direction is provision to build the General Balance to £20m and provides for some earmarked reserves to enable risks to be managed.

### **2 Recommendations:**

- 2.1. Cabinet agreed on 9<sup>th</sup> March 2022 to:
- 2.2. Recommend to full Council:
  - i. Acceptance of the capitalisation direction of £223m up to 31.03.22
  - ii. Acceptance of the capitalisation direction of £84.1m for the 2022/23 financial year
  - iii. Acceptance of the accompanying conditions set out in the report.

2.3. To Note:

- i. The capitalisation direction is not a grant. The Council needs to fund the revenue expenditure capitalised from disposing of assets to repay the resulting debt.
- ii. The Council is in a precarious state and will be required to request future capitalisation directions to balance future years budgets, estimated at an additional £172m, £479m in total
- iii. The minded to directions will be converted into actual directions on an annual basis as the accounts for each year are closed and audited

**Reason:**

- 2.4. This report is required to enable the Council to set a legally, balanced budget for 2022/23.

**Commissioner Review**

- 2.5. The Minister's letter sets out how the Council needs to work with the Commissioners throughout the process.

**3 Report**

- 3.1. The Council have been in discussion with DLUHC since June 2021 about the potential for a significant capitalisation direction request and have given them regular updates as to the arising issues.
- 3.2. A final request was made in February 2022 that was agreed with the Council's DLUHC Best Value Commissioners.
- 3.3. Kemi Badenoch MP, Minister of State for Equalities and Levelling Up Communities wrote to the Council on 7 March 2022, attached as appendix 1, stating that she is minded to approve capitalisation directions for the period between 2018-19 to 2022-23.
- 3.4. The minded to approve is adequate to enable the Council to set its 2022/23 budget and is in the same terms as other Councils who have been awarded capitalisation directions.
- 3.5. Before the final amounts are confirmed the Secretary of State will require the following assurance and the capitalisation directions are also subject conditions, both set out in an appendix to the letter.

**Assurance**

- Progress in delivering its Improvement Plan, including an outline action plan to achieve financial sustainability and to close the long-term budget gap identified by the Authority across the period of its Medium Term Financial Strategy (MTFS) and beyond if necessary;
- Progress in developing and / or delivering against plans for asset disposal; debt reduction; savings targets; and long-term council tax levels in Slough;



- Overall financial position and its ability to meet any or all of the identified budget gap without additional borrowing. Your outline action plan to achieve financial sustainability, which will be a significant component of the Improvement Plan, must include an ambitious and deliverable asset disposal strategy.

### **Conditions**

- The Authority may only capitalise expenditure when it is incurred
- Where expenditure is capitalised, that the Authority shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years, in accordance with relevant guidance;
- Where the Authority's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction, any further borrowing from the date of the capitalisation letter up to and including, but not exceeding, the increase in the financing requirement must be obtained from the Public Works Loan Board and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to. This requirement does not apply to borrowing in relation to your Housing Revenue Account. Where any borrowing to which these conditions initially apply is refinanced, the conditions must continue to apply to the resulting borrowing;
- The Authority makes good progress against its Improvement Plan, as assessed by the Best Value Commissioners, in their regular reports to the Secretary of State.

3.6. The Secretary of State also reserves the right to attach additional bespoke conditions to any directions issued in respect of the financial years above, depending on the Council's individual circumstances.

3.7. Council needs to agree to the direction and conditions in order to set a legal balanced budget.

## **4. Implications of the Recommendation**

### **4.1. Financial implications**

4.1.1. The financial implications are discussed throughout this report.

### **4.2. Legal implications**

4.2.1. The Council submitted a capitalisation direction to DLUHC to allow it to treat as capital expenditure certain types of revenue expenditure. The Secretary of State only permits the Council to capitalise expenditure when it is incurred, minimum revenue provision must be charged and the Council must comply with the conditions set out by DLUHC. It should be noted this the capitalisation direction is

not a grant. The Council needs to fund the revenue expenditure from disposing of assets and utilising the sale proceeds of such assets.

4.3. Environmental implications

4.3.1. Not Applicable

**5. Background Papers**

None



Department for Levelling Up,  
Housing & Communities

Councillor James Swindlehurst  
Leader, Slough Borough Council

**Kemi Badenoch MP**  
*Minister of State for Equalities and Levelling  
Up Communities*

**Department for Levelling up, Housing and  
Communities**

Fry Building  
2 Marsham Street  
London  
SW1P 4DF

Email: [kemi.badenoch@levellingup.gov.uk](mailto:kemi.badenoch@levellingup.gov.uk)

[www.gov.uk/dluhc](http://www.gov.uk/dluhc)

7 March 2022

Dear Councillor Swindlehurst,

**SUPPORT FOR SLOUGH BOROUGH COUNCIL**

I am writing in relation to your Authority's request (dated 13 January 2022) for exceptional financial support in respect of financial years across the period 2018-19 to 2022-23. I appreciate your continued co-operation with my Department throughout this process, and that of your officers, including the supplementary information and revised estimates provided on 4 and 14 February 2022.

I am grateful to you for the openness with which you have acknowledged how the Council has arrived at its current position and the commitment that you have made to the improvements needed.

As a result of the Council's serious failings, you have made a request for exceptional financial support of an unprecedented scale, relating to a number of financial years. This is deeply concerning and clearly demonstrates the gravity of the financial and leadership challenges facing the Council. As I am sure you will understand, Government will not take any of the difficult decisions on your case lightly. While I hope and expect the Council will take the lead on the long path to improvement, it is also important to recognise that this is just the start of the process of the Council's recovery, and there is significant further work to be done. In this context, I have considered very carefully the interests of local people in Slough, and the need to provide sufficient stability to the Council and to make sure that service delivery, especially for the most vulnerable citizens, is not disrupted.

The Secretary of State's Commissioners, who were appointed on 1 December 2021 and 11 January 2022, will provide in due course their initial assessment of the scale of the leadership, financial, and managerial challenges faced by the Council. It is critical that you continue to cooperate closely with the Commissioners, providing regular assurance that you are working at sufficient pace to deliver the scale of change that is needed.

It is within this context that the Department has considered your Council's capitalisation request. This letter sets out the Department's current position but does not constitute a capitalisation direction.

The Department's consideration of your request has been based on the estimates that the Council has provided to date of its significant budget gaps. The Commissioners have provided assurance, as far as possible, that these estimates are reasonable and appropriate. I recognise, however, that these estimates are based in significant part on assumptions, and

that final amounts will only be confirmed as part of the closure of the Council's financial accounts, which are significantly overdue. I am conscious that during this process some of these estimates may change and the Council's projected budget gaps could increase. I am clear, however, that the Council should take all reasonable action and necessary steps to minimise this risk, and reduce pressures where possible, without incurring additional borrowing – this is because reducing the Council's indebtedness is critically important to its long-term financial sustainability.

With respect to the period between 2018-19 to 2022-23, the Secretary of State is minded to approve capitalisation directions totalling £307.119 million. This total is broken down by each financial year as follows:

- 2018-19 - £61.709 million.
- 2019-20 - £40.158 million.
- 2020-21 - £25.932 million.
- 2021-22 - £95.265 million.
- 2022-23 - £84.055 million.

As you would expect, there is considerable process to undertake before capitalisation directions in respect of any of the above years are approved. The Council will need to demonstrate that it is taking the necessary steps towards improvement, and I will need assurance from the Commissioners that you have produced an Improvement Plan to their satisfaction, as per the directions issued to your Council on 1 December. In addition, if the Secretary of State decides to approve any directions, he would confirm in due course any conditions that would be applied. Finally, any decisions would be contingent on the Council reporting to the Department the final amounts identified for which you need capitalisation for each year, with the agreement of the Authority's external auditors and endorsed by the Commissioners. Each of these steps is addressed in more detail in the attached annex.

I also recognise that you included in your request an indication of support required for future years beyond 2022-23. As you will understand, we cannot make any spending commitments beyond the period covered by the current Local Government Finance Settlement. At this point, we are providing an indication of support to make sure that you can set a balanced budget (as required by statute) and continue to deliver services in Slough. However, we will also need to see significant ongoing progress from the Council, for example in delivering against an Improvement Plan, before we can consider the provision of any Government support for future years. My officials will continue to engage closely with your officers in the coming months to understand your position going into the financial year 2023-24.

A meeting will be scheduled with the Department and your officers to discuss the position set out in this letter.

I should be grateful if the Council would consider the Department's position concerning your request for exceptional financial support and confirm to me in writing by 10 March that you wish to proceed in accordance with the conditions outlined in this letter. I am copying this letter to the Commissioners.

Yours sincerely,

A handwritten signature in black ink that reads "Kemi Badenoch". The signature is written in a cursive, flowing style.

**KEMI BADENOCH MP**

## **Annex – Process for approving capitalisation directions**

### Assurance

If the Secretary of State decides to give any directions, he would confirm in due course the final amount of capitalisation support and any conditions that would be applied. The Department's consideration will include evidence from the Commissioners of the Authority's progress against the actions it is required to take, as per the Secretary of State's directions (dated 1 December) made under section 15(5) and (6) of the Local Government Act 1999. This will include evidence of the Authority's:

- Progress in delivering its Improvement Plan, including an outline action plan to achieve financial sustainability and to close the long-term budget gap identified by the Authority across the period of its Medium Term Financial Strategy (MTFS) and beyond if necessary;
- Progress in developing and / or delivering against plans for asset disposal; debt reduction; savings targets; and long-term council tax levels in Slough;
- Overall financial position and its ability to meet any or all of the identified budget gap without additional borrowing.

Your outline action plan to achieve financial sustainability, which will be a significant component of the Improvement Plan, must include an ambitious and deliverable asset disposal strategy.

### Conditions

Such directions may be subject to conditions, which would be set out in any capitalisation directions should the Secretary of State decide to exercise his powers under sections 16(2)(b) and 20 of the Local Government Act 2003.

If the Secretary of State decides to give any directions, he is minded to attach the following conditions:

- The Authority may only capitalise expenditure when it is incurred;
- Where expenditure is capitalised, that the Authority shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years, in accordance with relevant guidance;
- Where the Authority's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction, any further borrowing from the date of the capitalisation letter up to and including, but not exceeding, the increase in the financing requirement must be obtained from the Public Works Loan Board and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to. This requirement does not apply to borrowing in relation to your Housing Revenue Account. Where any borrowing to which these conditions initially apply is refinanced, the conditions must continue to apply to the resulting borrowing;
- The Authority makes good progress against its Improvement Plan, as assessed by the Best Value Commissioners, in their regular reports to the Secretary of State.

With this in mind, the Secretary of State also reserves the right to attach additional bespoke conditions to any directions issued in respect of the financial years above, depending on the Council's individual circumstances.

### Confirming final amounts

Although the Secretary of State is minded to approve capitalisation directions for the period between 2018-19 to 2022-23, this would be contingent on the Authority reporting to the Department the final amounts identified for which it requires capitalisation for each year, with the agreement of the Authority's external auditors and endorsed by the Best Value Commissioners.

**SLOUGH BOROUGH COUNCIL**  
**BEST VALUE COMMISSIONERS**

**REPORT TO:** Council

**DATE:** 10<sup>th</sup> March 2022

**FROM:** Best Value Commissioners

**ITEM 10: UPDATES FROM THE BEST VALUE COMMISSIONERS**

**1. Purpose of Report**

1.1 To notify Council of the decisions taken by the Commissioners at a decision-making meeting of the Commissioners held on Wednesday 9<sup>th</sup> March 2022.

1.2 The Commissioners were acting under the powers given to them by the Secretary of State in the Directions under Section 15(5) and (6) of the Local Government Act 1999, in relation to the following function of the authority to be exercised by the Commissioners:

4. *“All non-executive functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers, to include:*

a) *the functions of designating a person as a statutory officer and removing a person from a statutory office;*

b) *the functions under section 112 of the Local Government Act 1972 of -*

i) *appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and*

ii) *dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.”*

**2. Recommendations**

Council is recommended to note that the Best Value Commissioners decided:

(a) That Josie Wragg be summarily dismissed for gross misconduct as Slough Borough Council’s Chief Executive, Head of Paid Service and Returning Officer, with effect from 9<sup>th</sup> March 2022, without notice or pay in lieu of notice but be paid for accrued leave, as set out in section 3 of the report.

(b) That Gavin Jones be appointed as Chief Executive and Head of Paid Service with effect from 9<sup>th</sup> March 2022, and that Council confirms that it concurs with this appointment.

### **3. Supporting information**

#### **3.1 Summary of decision as announced by the Lead Commissioner, Max Caller, Wednesday 9<sup>th</sup> March 2022:**

*“Slough Borough Council’s Investigating & Disciplinary Committee (‘IDC’) met in October 2021 to consider concerns about its chief executive Josie Wragg, in accordance with the employment protections which apply to local authority statutory officers.*

*The IDC concluded that the concerns should be independently investigated, and Ms Lowton was appointed to undertake the role.*

*Ms Lowton completed her investigation which included interviewing the Chief Executive and reported to the IDC in February 2022. Ms Lowton concluded that the chief executive had:*

- Failed to provide effective corporate leadership, or to build a stable and effective corporate management team*
- Failed to ensure adequate corporate capacity, resulting in inadequate internal processes and insufficient capacity to achieve the changes required*
- Failed to put in place effective council governance*
- Failed to ensure that posts at all levels including statutory officer posts were appropriately filled, for example the s151 Officer*
- Failed to monitor, challenge or manage the Council’s revenue budget, borrowing or capital programme*
- Failed to identify, manage or mitigate key risks facing the Council*
- Demonstrated a lack of awareness and acceptance of the need for improvement*
- Failed to ensure recommendations from audit and peer reviews were implemented in a timely manner*
- Failed to develop an adequate or credible response to the s114 Notice*
- Not demonstrated or given confidence to external partners that she was capable of leading the Council through its current difficulties.*

*Ms Lowton said that the key issue for the IDC was responsibility for Slough’s present financial difficulties. She said that there were many longstanding problems in the Council, but the Chief Executive did not address them as she should have done.*

*Ms Lowton further reported that instead of building up corporate capacity to address these problems, capacity was removed as part of a whole council restructure. That restructure, she reported was undertaken without adequate costings, HR data, risk assessments, change management procedures or understanding of its potential impact, and then without review following the onset of the pandemic. In addition, given that the Council’s accounts had not been signed off, the restructure was undertaken when it was ‘financially blind’.*



*The Chief Executive's decision to proceed in these circumstances was, Ms Lowton advised, 'reckless'.*

*The IDC concluded that the Chief Executive's failure to address the issues facing the Council when she joined and the failures itemised above were seriously negligent, and her pursuit of the 'Our Futures' programme with the consequences now apparent to all was reckless, which constitute gross misconduct. Having considered all the circumstances including a detailed statement by the Chief Executive, the IDC unanimously proposed that she should be dismissed. No material and well-founded objections having been received from any member of Cabinet to that proposal, it was referred to Slough's Independent Panel.*

*The Panel unanimously agreed to support the proposal to dismiss but advised the Commissioners to give consideration to the fact that no concerns about performance had been raised in appraisals.*

*The proposal was considered by Slough's Best Value Intervention Commissioners (acting in the place of full Council) on 9th March. The meeting followed the procedure set out in the papers which provided an opportunity for the Chief Executive and the Chair of the IDC to make their respective points to Commissioners.*

*Commissioners therefore heard from the Chair of the Investigating & Disciplinary Committee, the Chief Executive and her representatives and have considered the substantial amount of written information provided.*

*In reaching its decision, Commissioners gave regard to the advice of the Independent Panel, which was a long-standing committee including people from outside of Slough Borough Council. It was common ground that Josie Wragg had had no concerns about her performance raised in her appraisals, which was cited in the Independent Panel's advice, but the Independent Panel had supported recommendations of IDC.*

*Commissioners noted there had been a number of attempts to settle the matter before it came to them. The Council was prepared to settle before Christmas but the agreement could not be finalised. Whilst we heard proposals that there might still be a chance to reach agreement at this late stage no proposal was actually on the table. It was also common ground that the Council needed to move on and Commissioners therefore felt it was important to reach a conclusion in the interests of all parties.*

*Commissioners recognised that the CEO could not and should not be held accountable for decisions taken prior to her appointment, but that the decisions she did take and was responsible for had been tested by the IDC and the allegations had been upheld through proper process. No new evidence was provided to Commissioners against the decision of the IDC and advice of the Independent Panel.*

*We particularly noted that the IDC concluded it was reckless of the Chief Executive to proceed with reorganising the Council during the pandemic without*

*the necessary financial and operational knowledge. The Independent Panel had supported the conclusion of the IDC.*

*After carefully considering all the papers before them, the advice from the Independent Panel and having heard from the chief executive and her representatives, the Commissioners decided that Josie Wragg should be summarily dismissed for gross misconduct as Slough BC's chief executive, head of paid service and returning officer, with effect from today, 9th March 2022, without notice or pay in lieu of notice but be paid for accrued leave."*

#### **4. Conclusion**

Council is requested to note the decisions taken by the Best Value Commissioners on 9<sup>th</sup> March 2022 and concur with recommendation (b) that Gavin Jones, who is currently an Assistant Commissioner, be appointed as Chief Executive and Head of Paid Service.