

Overview & Scrutiny Committee – Meeting held on Thursday, 9th January, 2020.

Present:- Councillors Sarfraz (Vice-Chair), Gahir, Hulme (until 7.20pm), Matloob, D Parmar, S Parmar and R Sandhu

Also present under Rule 30:- None

Apologies for Absence:- Councillors Dhaliwal and Basra

PART I

35. Declarations of Interest

Councillor Gahir declared that he was a taxi driver. He remained in the Council Chamber throughout the meeting.

36. Minutes of the Last Meeting held on 14th November 2019

Resolved - That the minutes of the meeting held on 14th November 2019 be approved as a correct record.

37. Member Questions

None had been received.

38. Revenue Financial Budget Monitoring Report 2019-20 (Quarter 2 April - September 2019)

The Service Lead Finance (Deputy Section 151) provided an update on the financial position of the Council's Revenue Account at the end of Quarter 2 (April to September 2019) of the 2019-20 financial year.

It was reported that the Council was currently operating in a period of financial difficulty, primarily due to the financial position of Slough Children's Services Trust (SCST).

The 2019-20 approved net budget for the Council was £106.625 million. At Quarter 2, the forecast year end position for all Council run services was £106.818 million; an overspend of £0.193 million, which equated to 0.18% of the overall budget. In comparison to Quarter 1, the overspend had reduced by £1.448 million, despite the increasing pressures across the Council.

The financial position of SCST had been included in the revenue monitor to ensure visibility. With the inclusion of SCST's forecast financial position, the Council's current exposure to financial risk was an estimated net expenditure forecast for the year of £113.655 million. This represented a potential budget overspend of £7.030 million which was 6.59% above the approved budget. Overall, this was an improved position in comparison to Quarter 1, by £2.611 million.

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Officers had been rigorously reviewing expenditure across all areas and prudent recruitment controls had been implemented, in case it was not possible for SCST to reduce its overall spend to nil in the current year. Since Quarter 1, the Council's overspend (all services, with the exception of those provided by SCST) had been substantially reduced and work was continuing to examine the SCST financial position. At the end of Quarter 2, 97.3% of the forecast overspend was attributable to SCST.

On behalf of the Committee, the Chair thanked the Service Lead Finance (Deputy Section 151) for the report.

Resolved – That the Overview and Scrutiny Committee noted:

- (a) The reported underlying financial position of the Council, including that of the Slough Children's Services Trust, as at Quarter 2, 2019-20.
- (b) The management actions being undertaken by officers, and the progress made to date, to reduce the budget pressures.
- (c) The potential impact on the Council's general reserves and associated implications for the Council based on the latest financial projections.
- (d) That the virements and write offs, as requested in Section 9 and 10 of the report had been approved by Cabinet on 18th November 2019.

39. Capital Monitoring Report at 30th September 2019

The Service Lead Finance (Deputy Section 151) provided a summary of spend against capital budgets for the 2019-20 financial year, as at the end of September 2019.

Members were informed that in the first half of the 2019-20 financial year, £93.591 million of the £212.760 million approved budget had been spent. This represented 44% of the approved budget being spent; the current projection was that 95% of the budget would be spent by the end of the financial year. The six major projects set out in the table at 5.3 of the report represented 73% of expenditure in the first half of 2019-20 financial year.

Resolved – That the Capital Monitoring Report at 30th September 2019 be noted.

40. Medium Term Financial Strategy (2020/21 to 2022/23) and Initial 2020/21 Budget Considerations

Members were provided with an update regarding the Council's latest Medium Term Financial Strategy (MTFS) forecasts for the years 2020/21 to 2022/23, including the targeting of resources to meet the Council's priorities in 2020/21 and proposals for a range of savings required to balance the budget.

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The MTFS brought together all known factors affecting the Council's financial position and its financial sustainability into one process. This included the national funding context set by government. A one year Spending Review in 2020/21 had been announced, with a primary focus on providing additional resources to local authorities with social care responsibilities. Funding to address national homelessness, rough sleeping and town centre regeneration had also been announced. The distribution of the additional resources to individual authorities was not yet known. In addition, local authorities had been given powers to raise Council Tax by up to 2%, plus an additional 2% adult social care 'precept' before requiring a local referendum be held. The MTFS assumed that the additional tax raising powers were fully utilised; however this had not yet been agreed by the Council.

There was considerable financial uncertainty in the forthcoming years - 2021/22 and 2022/23, particularly in relation to the arrangements for New Homes Bonus funding, the revised Business Rates retention system and the outcomes of the Fair Funding Review. Therefore, years two and three of the MTFS had been modelled as a scenario, for planning purposes; however the position would remain under review in light of these ongoing unknown factors.

The Chair then invited comments and questions from Members.

During the course of the discussion, the following points were raised:

- It was noted that a previous growth allocation for the street homelessness initiative had been removed, as the increased focus was on providing temporary accommodation to reduce the overall pressure on the housing service. A Member queried how the temporary accommodation growth allocation would be funded.
- A Member highlighted the continued roll out of Universal Credit, pressure on local food banks and welfare provision, and asked if any growth bids to address these issues would be considered.
- It was queried why the Housing Revenue Account had a net deficit budget of £2.871 million. In response, the Committee was informed that this was a planned overspend and the deficit would be made up by a planned contribution from housing reserves. Currently the income and expenditure were expected to have a neutral balance for the year.
- Concern was raised regarding the Dedicated Schools Grant deficit of £7.2 million relating to special educational needs. Members were advised that the Council did not have to take account of this deficit in setting its budget or when considering the robustness of its reserves. In-line with guidance from the Department for Education, the Council did not include the deficit in the assessment of its current financial position.

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- It was noted that the Council currently had £8.2 million of General Fund Reserves and £4.2 million of earmarked reserves available. Concern was raised that if the Council was unable to reduce the current projected overspend and was required to make a provision against the SCST's brought forward deficit by 31 March 2020, the Council's level of reserves would be significantly depleted. Members were advised that if this scenario occurred, the Council could use General Fund Reserves and these would be replenished over the next few years.
- Concern was raised regarding the level of write offs totalling £542.457.04 over the last three months. A Member queried what actions had been taken to minimise the losses incurred by the Council. It was explained that every effort was made to recover money owed; however sometimes the cost of recovery outweighed the value of the debt and therefore pursuing the debtor was not viable. Write offs were requested as a last resort and as a matter of prudent auditing the Council was required to close down outstanding accounts.
- With regard to SCST's budget overspend and deficit, a Member asked what would happen at the end of the current contract with the Council in October 2021. It was explained that Council officers had been working with SCST's leadership team to support the organisation with initiatives to reduce the overspend by the end of the financial year and to ensure SCST's finances were in a robust position at the end of the contract.

On behalf of the Committee, the Chair thanked the Service Lead Finance (Deputy Section 151) for the report and presentation.

Resolved – That the Overview and Scrutiny Committee noted:

- (a) The revised Medium Term Financial Strategy had been approved by Cabinet on 16th December 2019, as the basis for considering 2020/21 budget options.
- (b) The 2020/21 budget had been modelled on the basis of a Council Tax increase of 3.99% for 2020/21 (which included the government's 2.00% adult social care precept) for resource planning purposes; the 3.99% was for modelling purposes only at this time. The decision on the Council Tax to be set for 2020/21 would be made by Members in February 2020 and may not be at the maximum figure included in the MTFs once the budget work had been finalised.
- (c) The ongoing uncertainty regarding the extent to which the Council may retain a share of Business Rates growth and the way that central

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government assessed the authority's need to spend in the future. This had made medium term financial planning more difficult than usual.

- (d) The timing of the provisional local government finance settlement and that it would be announced later than normal (due to the 2019 General Election), so the time for scrutinising budget proposals would be less than usual.
- (e) The initial savings proposals (and additional income generation proposals) as they had been designed primarily to fund some of the additional 2020/21 spending pressures generated by SCST.

41. Performance and Projects Report: Quarter 2 2019/20

The Strategic Programme Management Office Manager introduced a report and provided a PowerPoint presentation that set out the latest performance information for Quarter 2, 2019/20.

The report included progress against the Corporate Balanced Scorecard indicators; updates on the 28 projects in the portfolio; and the current manifesto commitments.

Members were informed that the Corporate Balanced Scorecard showed that 41% (9 of 22) of the selected performance indicators were achieving the desired target results, 18% (4 indicators) were performing under target. Key improvements had been made during Quarter 2 on the percentage of household waste sent for reuse, recycling/composting, the average journey times within Slough, and the attainment gap at Early Year's Foundation Stage.

With regard to the Project Portfolio, progress continued on all major schemes and projects. Across all projects on the portfolio 39% (11 projects) were rated as 'Green' (on target), 50% (14 projects) were rated overall as 'Amber' and 11% (3 projects) were rated overall as 'Red'. One project, Speech and Language Therapy commission had completed during Quarter 2.

It was reported that there were currently 43 Manifesto pledges across the Council's key areas. At the end of Quarter 2, 79% (34 pledges) were rated overall as 'Green' (achieving or on schedule) and 16% (7 pledges) were rated overall as 'Amber' (working towards target) and 5% (2 pledges) were reported as delivered. No pledges were rated overall as 'Red'. One Manifesto pledge – *'We will open outdoor gyms in Baylis & Stoke, Colnbrook, Cippenham Green, Cippenham Meadows and Farnham wards'* had been delivered during the Quarter 2 period.

Following the conclusion of the presentation, the Chair invited comments and questions from the Committee.

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Members raised the following points:

- It was noted that the number of homeless households accommodated by the Council in temporary accommodation had a 'Red' status. A Member asked for some additional information regarding the number of approaches for housing the Council received. The Strategic Programme Management Office Manager agreed to seek further information and circulate a response to the Committee.
- A Member asked why food recycling had not yet been implemented in Slough. The Strategic Programme Management Office Manager agreed to seek this information from the relevant department and circulate a response to the Committee.
- Concern was raised in relation to the increase in total crime rates per 1,000 population, which had changed from a 'Green' to 'Red' status. A Member asked what the Council was doing to address this and in particular the issue of knife crime. It was explained that the Council monitored crime rates through the Safer Slough Partnership. A Violence Taskforce had recently met to develop an Action Plan to address knife crime in Slough. The details of the Action Plan would be shared with Members in due course.
- Further concern was raised in relation to gang culture and a Member asked what provisions were in place to divert young people away from involvement in gangs and knife crime. The Service Lead Communities and Leisure explained that there was a variety of youth provisions throughout Slough and the Violence Taskforce had developed a comprehensive prevention strategy to address these issues. He suggested that the issue of knife crime could be considered further at a future Overview and Scrutiny Committee meeting.

Resolved –

- (a) That the Overview and Scrutiny Committee noted the Council's current performance, as measured by the performance indicators within the balanced scorecard, the progress status of the gold projects and the manifesto commitments.
- (b) That the Strategic Programme Management Office Manager be requested to circulate responses to the queries raised during consideration of the report and presentation, as detailed above.

42. Forward Work Programme

The Policy Insight Manager presented the Forward Work Programme and updated Members as follows:

30th January 2020

It was reported that Frimley Health NHS Foundation Trust was not currently progressing with the plan to transfer the Trust to a Wholly Owned Subsidiary and alternative options were being considered. Therefore, it was suggested

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that this item be removed from the list of reports for the 30th January meeting, and be rescheduled pending further information being received.

12th March 2020

A Member requested that the Youth Engagement Strategy, including information relating to youth crime, be presented at the 12th March Committee meeting.

16th April 2020

The Policy Insight Manager reported that Heathrow representatives were available to attend the 16th April 2020 meeting to provide an update regarding Heathrow Expansion - economic development, skills and employment in Slough. Members agreed to consider this item at the April meeting.

Resolved – That, subject to the updates detailed above, the Forward Work Programme 2019/20 be approved, as set out in Appendix A of the report.

43. Members' Attendance Record 2019/20

Resolved - That the details of the Members' Attendance Record be noted.

44. Date of Next Meeting - 30th January 2020

Resolved – That the date of the next meeting was confirmed as 30th January 2020.

(Councillor Hulme left the Council Chamber)

45. Exclusion of Press and Public

Resolved - That the press and public be excluded from the meeting during consideration of the item in Part II of the agenda as it involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority hold that information) as defined in Paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

Below is a summary of the item considered during Part II of the agenda.

46. Localities Strategy Update - Presentation

The Service Lead Communities and Leisure provided the Committee with a presentation regarding the Localities Strategy.

Resolved – That the Localities Strategy presentation be noted.

Chair

(Note: The meeting opened at 6.30pm and closed at 7.50 pm)