

Cabinet – Meeting held on Monday, 26th July, 2021.

Present:- Councillors Swindlehurst (Chair), Anderson, Bains, Carter, Hulme, Mann and Pantelic

Also present under Rule 30:- Councillor Gahir

Apologies for Absence:- Councillor Akram

PART 1

14. Declarations of Interest

No declarations were made.

15. Minutes of the Meeting held on 21st June 2021

Resolved – That the minutes of the meeting of the Cabinet held on 21st June 2021 be approved as a correct record.

16. SBC Annual Report 2020-21

The Group Manager, Business Insight introduced the draft Slough Borough Council Annual Report for 2020/21.

The report set out a timeline of the key events over the past year; details of the Covid-19 response; the progress that had been made to achieve the Council's five key priorities; and information on partnership working. Feedback from previous years had been taken on board to make the document more accessible and case studies had been included for each priority.

Lead Members highlighted the excellent work that had taken place with partners in response to the Covid-19 pandemic, for example the targeted enforcement work in Chalvey and Farnham Road and the One Slough approach. The work of the hundreds of volunteers across the town was considered to be exceptional and had been recognised nationally. Despite the challenging circumstances the Cabinet welcomed that fact that the Council had still delivered on many of its existing priorities such as the opening, ahead of schedule, of the new hotels on the Old Library Site.

At the conclusion of the discussion Lead Members agreed the content of the draft Annual Report, subject to the addition of any final amendments to incorporate some of the examples raised during the discussion as case studies. In terms of feedback for future reports, Lead Members suggested the voice of Slough's communities be more strongly reflected, for example, by highlighting engagement through the co-production network and joint working with the voluntary and community sector.

Resolved – That the content of the draft Annual Report 2020/21 be approved for publication, subject to incorporating the comments of Lead Members into the final version.

17. Provisional Revenue Budget Outturn 2020/21

The Section 151 Officer introduced a report that provided Cabinet with the provisional financial outturn of the Council's General Fund Revenue, Housing Revenue Account (HRA) and Capital Programme for the 2020/21 financial year.

It was noted that the information in the report reflected the forecast position at the current time and would change as further work was undertaken on preparing the accounts for the year, which had yet to commence. The provisional revenue outturn for 2020/21 was a £6.6m overspend and the report set out the key financial risks of £49.8m would could impact on the final position. Taken together these two figures were the £56.4m reported in the s.114 notice issued by the Section 151 Officer on 2nd July 2021. In relation to capital, the provisional outturn for the General Fund was a £4.8m underspend and a £14.3m underspend for the HRA. Section 5.11 to 5.20 of the report set out overspends on the approved budgets for two large projects – the hotel scheme and Herschel Street car park.

The Cabinet recognised the scale of the challenge in addressing the Council's financial issues and emphasised its commitment to address the in-year position for 2021/22 and close the gap in future years through the Medium Term Financial Strategy. Lead Members expressed concerns about a number of financial matters exposed by the new finance team and questions were asked about the previous incorrect treatment of capital and the robustness of the savings plans agreed by Council in March 2021. The Section 151 Officer responded to the points raised and explained that detailed work was ongoing to identify the issues, many of which had been highlighted at Council on 22nd July 2021 at which the s.114 notice had been presented to Members and the action plan agreed unanimously. The Leader highlighted that Lead Members and Directors were meeting on a weekly basis to review the financial position and savings plans for each directorate in detail and the outcomes of this work would seek to demonstrate the commitment to addressing the challenges faced.

At the conclusion of the discussion the provisional outturn for 2020/21 was noted.

Resolved –

- (a) That the reported provisional financial position of the Council for the year end 2020/21 of a £6.6m overspend be noted;
- (b) That the financial risks of £49.8m in Section 7 of the report that could impact the final outturn position, that together with the £6.6m

Cabinet - 26.07.21

overspend is the £56.4m reported in the s114 Notice on 2 July 2021 be noted;

- (c) That the provisional capital outturn for the General Fund of a £4.8m underspend, a £14.3m underspend for the HRA and the overspends on two large projects be noted.

18. Finance Monitor Month 2

The Section 151 Officer introduced a report that set out the forecast revenue position for the General Fund, HRA and Dedicated Schools Grant as at the end of May 2021, which was Month 2 of the 2021/22 financial year.

The forecast General Fund revenue position for 2021/22 at Month 2 of the financial year was a £6.9m overspend. Taken alongside the emerging financial issues set out in the report of £33.3m there was a current deficit position for 2021/22 of £40.2m. The context of the s.114 notice issued on 2nd July 2021 and action plan agreed by Council on 22nd July 2021 were summarised and noted.

The Section 151 Officer explained the work being done across the Council to verify the savings identified for 2021/22 budget and the action being taken to mitigate against the budget gap. The Council had approved a savings programme of £15.6m for 2021/22 at Budget Council in March 2021. Expenditure Control Panels had been established in each directorate to ensure spending restraint and detailed work was underway with each directorate on their savings plans. Lead Members discussed a range of issues including the historic treatment of Minimum Revenue Provision by the Council; the fact that reserves were effectively nil; the future borrowing strategy to move away from an over-reliance on short term borrowing; and the likely timescale to 'right-size' the Council over the coming years to balance expenditure and income and ensure its long term sustainable financial position. The Section 151 Officer responded to the points raised, explained the current work programme to understand and address the key issues and stated that further detailed reports would come through to Cabinet and Council from September onwards.

Lead Members asked about the position regarding adult social care given that it formed such a significant part of the Council's budget. The Executive Director of People (Adults) commented that main reasons for the directorate overspend in 2020/21 were the loss of income from the leisure contract due to the closure of leisure centres during Covid 'lockdowns' and the pressures on regulatory services during the pandemic. It was noted that the overspend in adult social care was less than £0.5m which was relatively low in the circumstances. The overspend reported in the current year was due the timing of the savings plans and the work to deliver on the transformation programme for adult social care was summarised. Specific savings proposals would come to come to Cabinet later in the year.

Cabinet - 26.07.21

At the conclusion of the discussion on the Month 2 financial update, the Leader emphasised the Cabinet's commitment and resolve to bring the budget back into balance; address the weaknesses identified in financial management and processes; and take the necessary decisions to put the Council back on a stable financial footing.

The Cabinet also received a verbal update on the progress that had been made in establishing the new model for children's services – Slough Children's First. The Cabinet had taken a series of decisions at its meeting on 15th March 2021 to transition to the new Council owned company and had requested an update to provide assurance that good progress had been made in implementing the new model. The Associate Director, Children and Families updated the Cabinet and highlighted that Slough Children First had started operating from 1st April 2021 as envisaged. All of the key milestones in place had been achieved. The articles of association and governance arrangements had been put in place and the relevant funding had been approved by the Treasury. A new Chair had been appointed and non-executive directors had been recruited who would be joining the company through the summer period. The recruitment of a permanent Director of Children's Services/Chief Executive of the company had not yet been successful. Service improvement remained the key priority and it was hoped a positive report would be received following a recent inspection of fostering services. The Cabinet noted the update and welcomed the progress that had been made to date.

Resolved – That the current management position on the 2021/22 accounts be noted as follows:

- (a) The forecast General Fund revenue position for 2021/22 as at the end of May 2021 was a £6.907m overspend;
- (b) The emerging issues of £33.272m that together with the £6.907m made up the deficit position for 2021/22 of £40.179m as reported in the s114 Notice;
- (c) The progress towards the 2021/22 savings programme;
- (d) The work being done by all parties across the Council to verify the savings identified in the 21/22 budget and action being taken to mitigate the budget gap in the current financial year by 30/9/21;
- (e) The current forecast spend on Transformation to deliver savings;
- (f) The Housing Revenue Account (HRA) was forecast to spend to budget for 2021/22 as at the end of May 2021.
- (g) That the verbal update on the progress of successfully implementing the resolutions of the Cabinet from its

Cabinet - 26.07.21

meeting held on 15th March 2021 in establishing Slough Children's First be noted.

19. Covid-19 Decisions Update

Details of the significant decisions taken by officers were noted by the Cabinet and ratified insofar as they related to Executive functions, as set out in Appendix A to the report.

Resolved –

- (a) That the report be noted.
- (b) That the Significant Decisions set out in Appendix A to the report be ratified insofar as they relate to executive decisions.

20. Notification of Key Decisions

The Cabinet considered and endorsed the Notification of Key Decisions published on 18th June 2021 which set out the key decisions expected to be taken by Cabinet over the next three months.

Resolved – That the published Notification of Key Decisions be endorsed.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.31 pm)