

Date of issue: Wednesday, 5 October 2022

MEETING:	OVERVIEW & SCRUTINY COMMITTEE (Councillors Gahir (Chair), Matloob (Vice Chair), Akbar, Bal, Basra, Kaur, M. Malik, S. Malik and Strutton)
DATE AND TIME:	THURSDAY, 13TH OCTOBER, 2022 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	NICHOLAS PONTONE 07749 709 868

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



GAVIN JONES
Chief Executive

AGENDA

PART I

AGENDA
ITEM

REPORT TITLE

PAGE

WARD

APOLOGIES FOR ABSENCE

CONSTITUTIONAL MATTERS

1. Declarations of Interest

-

-

All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.



<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
2.	Minutes of the Last Meeting held on 14th July 2022	1 - 4	-

SCRUTINY ISSUES

3.	Member Questions <i>(An opportunity for Committee Members to ask questions of the relevant Director/ Associate Director, relating to pertinent, topical issues affecting their Directorate – maximum of 10 minutes allocated).</i>	-	-
4.	Financial Action Plan Report	5 - 76	All
5.	Financial Update Report - 2022/23	77 - 146	All

MATTERS FOR INFORMATION

6.	Attendance Record	147 - 148	-
7.	Date of Next Meeting - 17th November 2022	-	-

Press and Public

Attendance and accessibility: You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

Webcasting and recording: The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

Emergency procedures: The fire alarm is a continuous siren. If the alarm sounds immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

Overview & Scrutiny Committee – Meeting held on Thursday, 14th July, 2022.

Present:- Councillors Gahir (Chair), Matloob (Vice-Chair), Akbar, Bal, Basra, Kaur, M. Malik, S. Malik and Strutton

PART I

1. Declarations of Interest

Councillor Bal declared an interest as a Taxi Driver licensed by SBC. He stayed and participated in the meeting.

2. Minutes of the Last Meeting held on 7th April 2022

Resolved – That the minutes of the meeting held on 7th April 2022 be approved as a correct record.

3. Member Questions

No Member Questions had been submitted.

4. Budget Process Update

The Director of Finance introduced a report that proposed the framework for the scrutiny of budget proposals that would come to the committee later in the year. It was anticipated that the circa £20m savings proposals for 2023/24 would come to scrutiny in October/November 2022 and possibly again in January 2023 if further proposals came forward.

A template for ‘key lines of enquiry’ was proposed to assist the committee and panels in scrutinising savings proposals considering each proposal against issues such as:

- Deliverability;
- risks and mitigations;
- impact on service performance;
- strategic fit;
- alternative options;
- consultation and impact on individual groups.

Members commented that the quality of the detail provided in the finance reports over the past year had improved, which was important as Members needed robust and clear information to effectively scrutinise. The Director was asked whether any further in-year savings proposals for 2022/23 would come to the committee for scrutiny if further savings were required to deliver the current year’s budget. The Finance Director explained that additional savings would be set out in the Budget Monitor that the Committee may wish to consider that report at future meetings. It was also noted that there was to be

Overview & Scrutiny Committee - 14.07.22

an Associate Director of Communications to be appointed and it is hoped that a key part of their role will be to improve communications.

In response to a question about improvements to the budget process for 2022/23, the Director explained that further work had been done to improve financial data which would provide a stronger basis on which to make financial decisions. It was explained that in the long term the Council was considering adopting a Zero-Based Budgeting process, but that this would not be implemented in the short term as this needed to be an informed practice based on solid data.

In response to a question about the budgets required to meet minimum statutory service provision, the Finance Director explained that whilst the Council can engage in benchmarking exercises, there was a judgement to be made about the definition of the level of some statutory services and the Council relied on the professional expertise of officers to assess this when considering savings proposals.

A Committee Member asked whether there had been any slippage in the budget and whether the Committee will be told about any further impacts expected as a result. It was explained that a report will come to September Cabinet which will explain mitigations brought forward by colleagues. The Director noted that if the Council over-delivered on capital receipts from the disposals programme then this would have a beneficial effect on debt levels.

It was explained that tracking systems would improve over time and become more stable as Council colleagues got used to data management and engage in further training.

At the conclusion of the discussion the Committee agreed the framework for budget scrutiny for the year ahead and adopted the key lines of enquiry template as set out in the report.

Resolved – The Committee agreed that budget savings for 2023/24 will be tabled in October/November and if necessary January 2023 also.

5. Contract Management/Procurement

The Director of Finance introduced the report on contract management which set out a framework for effective scrutiny and key lines of enquiry to focus the committee's questions and evidence gathering.

It was proposed that a task and finish group be formed to carry out further work on this in the coming months and bring back a report to the main committee.

A member of the Committee suggested that a synopsis of each contract should be completed as contracts end to assess whether lessons have been

Overview & Scrutiny Committee - 14.07.22

learnt. Therefore this would create a place to work from when contracts come to the Committee to be renewed or assessed. It was agreed to establish a task and finish group with Councillors S Malik, Strutton, Gahir, Basra and Kaur to:

- Review the major contracts list and select some to focus on;
- Meet with relevant officers for those contracts and discuss the key lines of enquiry in the appendix; and
- Bring a report back to a future meeting of Scrutiny for consideration.

The first meeting was expected to be held in September to review the contracts list and select some key contracts for further scrutiny.

Resolved – That the report be noted and that a scrutiny task and finish group be established on contract management.

6. Date of Next Meeting -15th September 2022

The next meeting of the Committee would be held on 15th September 2022.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.03 pm)

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee

DATE: 13th October 2022

CHIEF OFFICER: Steve Mair, Executive Director Finance & Commercial (S151)

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

FINANCIAL ACTION PLAN UPDATE**1 PURPOSE AND RECOMMENDATIONS**

1.1 To provide the Committee with an opportunity to scrutinise the latest Financial Action Plan which updates on the key areas of the work undertaken to respond to the many and very serious financial challenges and the recommendations made by external agencies. Specifically, it provides an update on the following issues:

- capitalisation direction and changes to the estimated value of this
- progress being made on generating capital receipts
- MRP
- the Council's borrowing levels
- accounts
- budgets
- the dedicated schools grant
- the finance structure
- revenues and benefits

1.2 The Committee is recommended to scrutinise the report and note the progress and issues arising from the continued work on the above.

Commissioner Review

1.3 *"The Commissioners note the contents of the report and are pleased to see the progress on the implementation of the recommendations arising from the CIPFA Review, the DLUHC Governance Review, Grant Thornton recommendations, and the Directions*

1.4 *The report also provides an exemplification of the capitalisation directions (CD) required to deliver balanced budgets for the medium term which suggest a total CD of £369m up to 2027/28 which is a reduction of £105m over the same period and negates the need for a second phase of CD originally considered which took the total to £782m. These are predicated on a series of assumptions including a programme for the delivery of capital receipts, ambitious in both timescale and amount, and savings targets, which whilst less than that included in the Capitalisation Directions outlined in*

March 2022, are still higher for the next 3 years than that being delivered in the current year.

- 1.5 *Considering the asset disposal programme, the scale of disposals is huge and very little work if any has yet been done by the Council to consider the implications of such reductions on the operating model of the Council or even on the future viability of Slough being able to continue as an independent authority. Whilst the 2022/23 sales are likely to have a minimal impact on service delivery, and the risk of realisation of these is relatively low, this risk rises as we move forward, taking into account the economic climate, the increased impact on services and the required work to deliver a programme of this magnitude. This needs to be done alongside a requirement to deliver significant savings each year for the next 5 years. It is noted that in the current year, the directorate savings targets have only achieved some 78% of that expected, albeit this has been mitigated by additional corporate savings.*
- 1.6 *Other assumptions include inflation risks affecting both employee and contract budgets, and other service pressures including the requirements arising from the adult social care reforms, and demographic changes impacting children's services. No account has also been taken to comply with Direction requirements where Action plans have yet to be presented and approved.*
- 1.7 *All of this work will require considerable capacity, competence, pace and focus to deliver."*

2 REPORT

Background

- 2.1 The range and extent of the financial issues facing the Council have been well documented and reported to Cabinet in the last 15 months
- 2.2 The Cabinet, auditors and commissioners expect regular reports to evidence progress made. This report focuses on the key issues of the:
 - capitalisation direction and changes to the estimated value of this
 - progress being made on generating capital receipts
 - MRP
 - the Council's borrowing levels
 - accounts
 - budgets
 - the dedicated schools grant
 - the finance structure
 - revenues and benefits
- 2.3 It also includes a summary of the progress made in respect of the recommendations in the various reports from external agencies during 2021/22. These recommendations provide the basis of the financial improvement agenda and assist in framing the scale of the financial challenges facing the council.

- 2.4 Appendices 2 - 5 have been retained as they show the detail and the current position and progress against the recommendations in external reports:
- the DLUHC Governance Review (Finance Only)
 - the CIPFA Review
 - Grant Thornton's statutory recommendations
 - Directions (Finance Only)
- 2.5 The financial strategy agreed and actioned by the Council was to:
- address the identified problem, this began in July 2021
 - sell assets to reduce borrowings and thus reduce MRP/interest costs and finance the CD – agreed September 2021
 - reduce net revenue expenditure – ongoing since July 2021
 - produce and have audited high quality accounts – ongoing since July 2021
 - all to an appropriate standard and in an appropriate manner and with an understanding that this will take up to 5 years
- 2.6 The Council's strategy is starting to come to fruition although there is a great deal of work still to do and to deliver before stability can be achieved. It should be noted that the position throughout this report is at a point in time and will undoubtedly change. This includes achieving modelled asset sales, delivering all savings or equivalent mitigations, owning budgets and living within them, producing and auditing annual accounts and taking timely and difficult decisions.

Summary Updates

- 2.7 The Council applied for and received a minded to **capitalisation direction** of £307m to 31/3/23. Looking forward the Council modelled to 2028/29 a total that could have risen to £474m. For further modelling purposes if the Council was unable to deliver £20m annual revenue savings from 2022/23 to 2028/29 and instead achieved £13m as a guide then the capitalisation direction would have to increase further and allowing for MRP on that would have totalled an estimated £782m.
- 2.8 It is currently estimated that **the overall capitalisation direction could be reduced from a potential total of £782m to £369m**. The improvement is due to the net impact of the following:
- improved and accelerated assets sales leading to earlier financing and hence reductions in the MRP profiling, together with
 - improvements in the collection fund,
 - council tax and
 - funding settlement assumptions,
 - refinement of estimates as the accounts are produced and allowance for
 - reviews of the pressures services are facing and inflation estimates

However, it is important that in providing this lower figure, there is a clear understanding of the assumptions and risks inherent in this figure. The following table sets these out and is shown in detail in appendix 6.

Issue	Assumptions	Risks and <i>Mitigations</i>
Improved and accelerated assets sales leading to earlier financing and hence reductions in the MRP profiling	AY advisors work to generate £384m (£206m by 23/24) £65m from the work of the Council LSVT £200m (desk exercise)	<p>Council does not plan for the service impacts of the sale of assets, principally effective from 23/24</p> <p><i>Newly appointed Executive Director will be able to take forward accommodation plan</i></p> <p>Timing and value currently assumed are not achieved</p> <p><i>Value and timing to achieve reduction in the CD do not yet include any receipts from LSVT which could generate from a desk exercise £200m</i></p>
Improvements in the collection fund	The work on the accounts has identified £18m of secure income which will be accounted for ongoing in accordance with normal accounting practise through a smoothing reserve which will last until 2028/29	<p>Subsequent years income may reduce</p> <p><i>The assumptions going forward assume no growth in the collection fund from B Rates. Thus a prudent approach has been taken</i></p>
Council tax	<p>The Council will be able to increase C Tax by 2.99% pa</p> <p>And for 2023/24 only will see a tax base increase of 2% and an increase in the collection rate of .1%</p>	<p>The restrictions on C Tax are reduced ie to lower than 2.99%</p> <p>The one year only increase does not materialise</p> <p><i>No further assumptions of growth are assumed thus a prudent approach has been taken</i></p> <p><i>No assumptions have been made about the Council being allowed increases above 2.99%</i></p>

Issue	Assumptions	Risks and <i>Mitigations</i>
Deliverability of savings	It has been assumed that savings as forecast at P4 are still deliverable in the full year	<p>The savings position deteriorates</p> <p><i>In 2022/23 we have provided £2.1m towards additional non-delivery of savings. In 2023/24 we have provided a further £1.6m.</i></p> <p><i>Services would need to continue to work with Finance and the PMO to develop mitigations over the remaining 6 months</i></p>
Funding settlement assumptions	It has been assumed that 2023/24 will see an increase as in 2022/23.	<p>The Council does not experience such a settlement</p> <p><i>The Council has assumed an inflationary pressure on contracts in 2022/23 of £5.9m excluding pay and energy contracts which has yet to materialise in actual specific contract renewals. This is now part of the base budget and may be available in 2023/24, to which a further £3m specifically provided for contracts has been added, together with other contingencies of £2.5m and savings contingency of £1.6m.</i></p> <p><i>The Council has built in for the inflationary and growth pressures c£11m from 2024/25, with additional allowance on the net cost of CD at 3-5% (£1-2m) and a reducing provision against non-delivery of savings in 24/25 to 26/27.</i></p>
Changes as accounts are produced	No assumptions made, as accounts produced, actual figures that differ from original assumptions are adjusted	<p>The Council's 2018/19 accounts have been extensively restated from those submitted in May 2021. Accounts beyond 2018/19 have not been previously prepared despite being several years overdue which may mean there could be some movement in the baseline level of reserves arising from issues identified as part of the accounts process such as:</p>

insufficient levels of provisions
 incorrect accruals
 erroneous debtor and creditor balances
 incorrect accounting treatments
 incorrect capitalisation
 incorrect charges to transformation

To mitigate, high risk areas have been reviewed and the financial implications have been built into the capitalisation direction

Pressures services may face pay inflation, 7% over two years

Pressures may be more than assumed

Pay inflation for 22/23 has been bolstered and based on the latest offer of £1,925 per person. For 23/24 it is provided for at £2m. This is estimated to provide c7% over two years.

contract inflation at 11% over two years

Rather than simply accepting and trying to absorb all inflationary pressures, services will need to collaborate closely with suppliers and service providers to reduce the overall expenditure required through further efficiencies and reductions.

Social care reform at £7m over two years

£7m has been provided across 23/24 and 24/25. The council is expected to be working towards addressing the pressures of social care reform but indications are that the full cost of implementation may be greater than the additional funding available from Government. While we have provided £7m towards this, it is probably too much for the council and other authorities to have to bear and so either more funding will be needed from Government or the implementation and hence costs in some way restrained.

The Council is thus beginning to see the benefit and the outcome of the strategy adopted. Overall, this leaves the Council with a very large and challenging capitalisation direction of £369m but does represent a reduction of £413m that can be fully financed by:

- applying capital receipts from 2021/22 to 2027/28 £358m
- paying MRP in 2022/23 and 2023/24 of £11m

2.9 This reduction is split as follows:

Table 1 – Estimated Improvement in the Budget Outturns and Reduction in the CD

	Up to 2022/23 £m	2023/24 £m	2024/25 to 2028/29 £m	2029/30 to 2047/48 £m	Total £m
Original CD	307	78	287	110	782
Revised CD	263	37	69	0	369
Reduction	(44)	(41)	(218)	(110)	(413)

2.10 Capital receipts of £449m are forecast to be achievable from the sale of assets which is more than sufficient to cover the CD. Thus if any challenges arise with achieving the total from the current plans sufficient flexibility is retained to do this by other means. Current assumptions related to capital receipts are that:

in terms of value:

- the production and cleansing of the accounts will generate circa £25m of available capital receipts;
- the work on reviewing the Council’s companies and generating capital receipts from those of circa £40m;
- asset sales of circa £384m up to 2027/28 by disposing of investment properties and surplus operational assets;
- a potential of £200m from a stock transfer (from a desk exercise) should be achievable, if it is decided to pursue stock transfer;

generating receipts of £25m pre 22/23, £143m in 2022/23 and £93m in 2023/24 with the balance to follow

in terms of process:

- the Council has experienced senior resources engaged with the Council’s companies and asset disposals advisers
- good progress is being made in negotiations, ensuring the Council has an up to date record on the property terrier, full report on title including title deeds and up to date valuations for all asset disposals planned for 2022/23 and 2023/24

- will be seeking Cabinet approval to ensure that all assets planned for disposal over the next two years are declared surplus
- has established a sub-committee to scrutinise and approve asset disposals before report to Cabinet in order to speed the disposal process but within the confines of local government governance requirements.

2.11 Should the receipts not be received as planned or to the assumed value then the capitalisation direction would be impacted. For example, if the programme of disposals slips by 20% in each year from 2023/24, this could increase the total cost of the CD by £5m, but with no impact on MRP. Equally the other elements that make up the CD, see para 2.8, could vary and impact likewise.

2.12 Overall it is estimated that taking account of the reduction in the capitalisation direction, improved capital receipts reduced borrowings and MRP, changes in the required capitalisation adjustments, completion of the accounts and delivery of the 2022/23 budget and planned delivery of the 2023/24 budget the **budget savings required** in future years will reduce from £20m in 2022/23 and 2023/24 to:

- £14m from 2024/25 to 2027/28
- £13.4m in 2028/29
- £11.5m in 2029/30
- and circa £8-9m thereafter

It should though be noted that of the £19.958m of directorate savings to be delivered in 2022/23, the forecast amount to be delivered is £15.519m, just 78% of the target. The principal area of challenge is Children's Services, including SCF, which are forecasting £2.610m of under achievement. The above targets therefore still represent a significant challenge for the Council, however they also represent only 5.6% of addressable budgets and experience elsewhere suggest that given appropriate leadership, focus and drive they should be achievable. The savings forecast in 2022/23 and planned for 2023/24 are both higher than the targets from 2024/25 onwards and will benefit from the recent restructure of the Council's senior management team. The savings coming from Directorates are shown below:

Directorate	Savings Target £'000	Savings at Risk £'000	Forecast Delivery £'000	Savings Mitigations £'000	Residual Gap £'000
People (Adults)	5,900	-	5,900	-	-
People (Children)	1,109	277	832	-	277
Slough Children First Contract	2,673	2,832	(159)	499	2,333
Place & Community	7,453	1,829	5,624	-	1,829
Resources	2,823	-	2,823	-	-
Total Savings/ Budget Programme	19,958	4,938	15,020	499	4,439

The above shortfall in savings in 2022/23 is however offset by a number of other variances which combine to deliver a reduction in the capitalisation requirement of £25.5m:

2022/23 Key Movements	£m	£m
Savings shortfall	4.4	
Other service pressures	3.2	
Allowance for new pressures	4.4	
		12.0
Collection fund increase	(2.5)	
Settlement funding increase	(5.6)	
MRP reduction	(10.7)	
Loan impairment rephased	(1.8)	
Other capitalisation adjustments reduced	(16.9)	
		(37.5)
Total reduction in CD requirement		(25.5)

2.13 The lack of adequate budget for **MRP** was identified when the s114 was issued and reported extensively to Cabinet and Council. The Council's MRP budget for 2021/22 was £40k. The original estimated total impact of MRP was £18.3m in 2021/22 and £28.0m in 2022/23, this has now reduced to £10.7m. This is due to the identification of £25m capital receipts from redrafting the accounts which has enabled capital expenditure from previous years to be fully financed thus reducing the need for MRP.

2.14 The Council's **borrowings** are forecast to reduce as follows and as shown in the chart below:

- by £190m from £760m at 30 June 2021 to £570m by 31 March 2023, and
- down to £280m by 31 March 2029.

The reduction reflects the forecast receipts from asset disposals as profiled by advisors AY. By using the capital receipts from the programme of asset disposals, the Council will be able to reduce temporary borrowing to £30m by 2024/25 and this will reduce the Council's exposure to interest rate risk by £5m per annum.



Chart 1: Forecast reduction in borrowing



- 2.15 **Accounts** have been submitted for 2018/19, nothing of material significance has arisen from the audit to date, although the audit is being conducted in more detail than anticipated due to the increase in risk profile of the Council. 2019/20 accounts are being compiled and are on target for 30/9/22. 2020/21 accounts are estimated to be completed by 31/12/22. The current revised gap between the original estimated capitalisation direction for the period pre 2019/20 to 2021/22 has reduced by £18.6m
- 2.16 The **2022/23 budget** is forecast to be balanced as at period 4, 31 July 2022 and taking account of various risks and mitigations and reductions in the capitalisation adjustments leads to an underspend and reduction in the overall call on the £84m capitalisation direction in 2022/23 of £25.5m. Attention is drawn to paragraph 2.12 which demonstrates where the savings in this year are being achieved and not achieved
- 2.17 The **2023/24 budget** has a target of £20m of savings which is progressing with options to that value to be tabled at Scrutiny in October/November and January 2023. Work will continue on these. The budget is also allowing for various estimated cost pressures such as pay, contracts, investment income reductions and service demand pressures
- 2.18 The **2024/25 budget** has a savings target of £14m and is progressing with options totalling a potential £3.5m currently being explored.
- 2.19 A series of assumptions have been made in estimating the current budgetary requirements, see paragraph 2.8
- 2.20 The **Dedicated Schools Grant** deficit for 2021/22 has been reduced from a forecast of £7.2m to £4.9m, that for 2022/23 is now forecast at £3.393m and the management plan is being continuously revised to secure an in-year balance for 2025/26 by October/November 2022. This will facilitate potential support from the DfE regarding the historic deficits

- 2.21 The **Finance structure** has been approved, internal appointments effected, opportunities to be completed September 2022. External recruitment starts September 2022. Work continues in **revenues and benefits** on collection rates and projects and has completed the energy rebate payments
- 2.22 Detailed responses to the reports received from MHCLG/DLUHC, CIPFA, Grant Thornton and the formal Directions from DLUHC are shown in detail in Appendices 2-5. Table 1 below shows a summary of the progress to date against each set of recommendations.

Table 2: Progress on implementing finance only recommendations from external reports

Report	No of Finance Recs	Complete/ Ongoing	Partially complete / On Track	Total
CIPFA (Appendix 2)	22	17	5	22
MHCLG/DLUHC	20	12	8	20
Grant Thornton	23	13	10	23
Directions (Appendix 5 - Finance Only)	9	2/6	1	9
Total	74	50	24	74
Total %		68%	32%	
Position in July *		58%	42%	
Movement since last report	-	10% 	10% 	

*- the Directions were not included in the July report. Some of the directions are by their nature continuous and have thus been recorded as complete or ongoing as appropriate

- 2.23 Significant progress has been made on dealing with the recommendations from the various reports issued by CIPFA, DLUHC, Grant Thornton and the Directions (Finance only) issued by Government during 2021/22. 68 per cent of all recommendations have been completed or are continuously ongoing with good progress with the remainder on track to complete during 2022/23. Since the last report the number of complete/ongoing recommendations has increased from 33 to 50 (33 to 42 excluding Directions recommendations). The remaining recommendations will be implemented in the medium to longer-term due to their nature although a vast majority are expected to progress during 2022/23 and 2023/24.
- 2.24 Clearly the above positions are best estimates at this point in time and will change continuously as the work continues to progress

INFORMATION

Capitalisation Direction

- 2.25 A capitalisation direction is a means of allowing the Council to charge to capital funds revenue expenditure and finance the capital expenditure by asset sales etc. Clearly this will be time limited as capital receipts are one off and not recurrent
- 2.26 It thus provides a temporary mechanism to enable Council's to address their budgets and put themselves into a stable revenue position. Financing and minimisation of the capitalisation direction is a fundamental element of achieving financial stability because of the magnitude of the sums involved, the drain on capital receipts and the consequential MRP charges to revenue
- 2.27 The Council's original CD estimate was principally driven by its excessive borrowing and the lack of budget to finance the consequential MRP costs. Other issues were also identified including:
- lack of reserves, operating with a general fund reserve of effectively nil
 - emerging pressures, provisions and contingencies because of incorrectly charging costs to capital in previous years
 - inadequate budgets for core corporate functions
 - historic budget pressures such as unachieved or double counted savings which had not been addressed
 - inadequate provisions for such as business rates, insurance
- 2.28 The latest projection of the CD estimates that it could total £369m by 2028/29 at which point no further amounts should be needed. It has reduced since the original version due to improved and accelerated assets sales leading to earlier financing and hence reductions in the MRP profiling, improvements in the collection fund, council tax and funding settlement assumptions, enabling the savings requirement profile to be eased. Assumptions regarding the service pressures faced and inflation requirements have been refined. Overall, this represents a reduction of £413m from the original CD put forward. However, this is built on a range of assumptions including the profile of capital receipts, achievement of ambitious savings targets, effective management of the budget, including inflation and other pressures
- 2.29 The list of matters below are some of the major drivers in the reduction, noting that they are the cumulative effect of smaller reductions by year but have a cumulative effect on the CD required each year, with further detail in Appendix 6:
- removal of additional extended capitalisation in original £176m
 - MRP on above £132m
 - further MRP reduction due to accelerated asset disposals £77m
 - funding settlement – 22/23 and 23/24 £41m
 - collection fund smoothing reserve £18m
 - Council Tax assumptions £9.5m

2.30 The reduction in the overall CD means that the level of savings needing to be generated by the council has been able to be reduced from 2024/25 onwards. NB the 2023/24 target has been increased by £3m which directorates are required to find on top of the £16.4m identified to date, assuming that an increase in settlement funding will contribute a further £3.6m. As can be seen from the table below, the savings requirement then falls to £14m for a period of 4 years, then further to £13.4m in 2028/29, £11.5m in 2029/30 and £8.7m in 2030/31, a significant improvement from the previous iteration of the CD. Clearly these savings will need to be delivered annually going forward and attention is drawn to paragraph 2.12:

Table 3 – Change in savings requirement by year

Saving Requirement by Year	Previous CD £'000	Latest CD £'000
2023/24	20,000	23,000
2024/25	20,000	14,000
2025/26	20,000	14,000
2026/27	20,000	14,000
2027/28	20,000	14,000
2028/29	14,167	13,397
2029/30	14,928	11,489
2030/31	13,440	8,667

2.31 It should be noted that due to the long-term nature of these projections, it is expected that they will fluctuate as new information comes to light and more certain analysis and insight becomes available. The following factors for example are key but difficult to project with certainty:

- the rate of inflation on both salaries and service contracts
- impact of the energy crisis
- the potential impact of the above on the collection rates of council tax, business rates and sundry debt
- the likelihood of a recession and the impact of this
- the impact of Social Care reform both in terms of cost and funding made available to local authorities
- outcome of the next Triennial Pension Valuation
- actual success in achieving the asset sales required, timing and value
- service areas' ability to identify and then deliver all savings required
- changes in Local Government funding settlements in light of a new PM and Cabinet in September and following the next general election
- the Council's ability to deliver the change required

Capital Receipts

2.32 The Council originally assumed capital receipts of up to £600m in its estimates, reported to Cabinet in September 2021 as £200m by 2023/24 and between £200m and £400m by 31 March 2027.

2.33 The current work being undertaken by the Council and Avison Young (the Council's appointed property advisors) has identified potential sales of

£384m, of which £206m could be received by 2023/24, split £121m in 2022/23 and £85m in 2023/24. In addition the Council has also identified/is working on further receipts of £65m. Receipts from a LSVT (large scale voluntary transfer of housing) could generate circa £200m. This is summarised below and as can be seen can fully finance the revised capitalisation direction.

Table 4: Capital Receipts

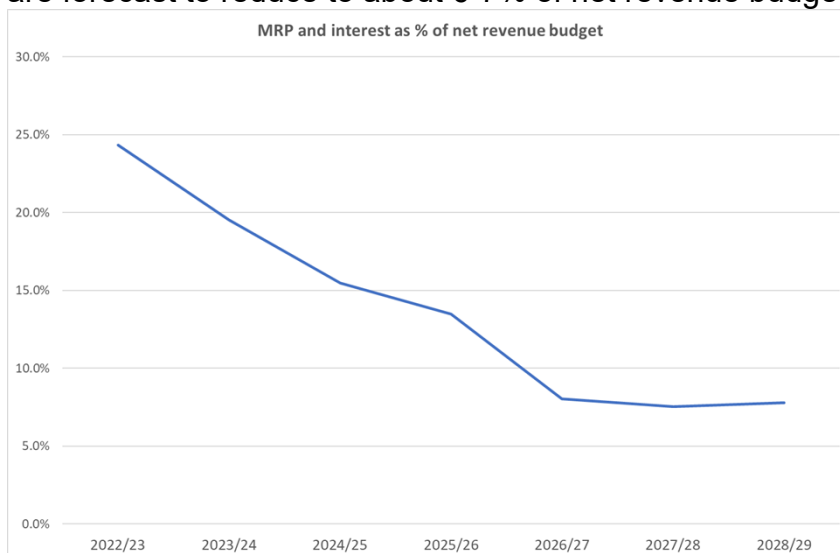
	Pre 2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Avison Young		121	85	54	43	46	35	384
SUR sites		22	8	10				40
Receipts from closure of 2018/19 and 2019/20 accounts	25							25
General Fund sub-total	25	143	93	64	43	46	35	449
LSVT						200		200
TOTAL	25	143	93	64	43	246	35	649

2.34 The position is thus much improved from that estimated and has a significant impact on the delivery of the Council’s financial strategy

MRP

2.35 As can be seen above the amount of capital receipts likely to be received is in excess of that originally assumed and is likewise being received earlier. This allows the previously unfinanced capital expenditure to be financed sooner than planned and short-life assets (i.e those with a life less than 20 years) in particular to be fully financed.

2.36 When the budget was approved in March 2022, MRP was forecast to be £28m and interest a further £7.2m for 2022/23. This would have amounted to 32.7% of the net revenue budget. As a result of the accelerated realisation of capital receipts and the identification of capital receipts from re-drafting the accounts for 2018/19, MRP and interest charged reduce to £26m in total or 24.3% of net revenue budget. Over the period to 2028/29, MRP and interest are forecast to reduce to about 6-7% of net revenue budget.



- 2.37 When the Council approved the Treasury Management Strategy, this included a Prudential Indicator on affordability, which expresses financing charges as a percentage of the net revenue stream (i.e. council tax, business rate and non-specific grants). This shows the same pattern as the chart above.

Budgets

2023/24

- 2.38 In respect of the 2023/24 medium term financial plan savings target of £20m, council directorates had proposed savings initiatives with an aggregate saving of £16.4m, leaving a gap of £3.6m to find. This was anticipated to come from savings to the contract with SCF, however the company business plan sets out that this will not be achievable. In light of the funding settlement for 2022/23 in which the council received an additional £5.6m on top of what was initially expected, this £5.6m in settlement funding has therefore been built into projections for 2023/24. Of this, £3.6m will match the gap in funding, leaving £2.0m needed to address additional budget pressures anticipated from inflation on contracts and staff costs. Directorates are to be asked to find a further £3.0m in savings on top of the £16.4m identified in order to provide further resilience. It is assumed that the council tax increase will be limited to 2.99% and that any further increase will be needed to cover new burdens such as in social care.

2024/25

- 2.39 The Council's pension fund is currently in deficit and the financial benefits of paying off this deficit are currently being explored along with the possibility of new commissioning arrangements

Accounts

- 2.40 The Council has no audited accounts since 2017/18 and in revising the 2018/19 accounts it has become apparent that there were errors in the 2017/18 and 2016/17 accounts which have been corrected in the submitted 2018/19 accounts.
- 2.41 This means that the Council has not been properly able to demonstrate good financial stewardship of public monies since 1 April 2016, 6.5 years ago. It also means that the Council's budgeting since then has been particularly challenging because of the uncertainty over its financial position.
- 2.42 Production and audit of accounts is thus extremely important element of the strategy to allow the Council to financially recover.

Accounts – 2018/19

- 2.43 Since the 2018/19 Statement of Accounts were initially presented to members, issues identified by both the Council's new finance team and the external auditors have required a substantial re-draft of the financial statements. Some of these changes relate to 2018/19 transactions and balances but others relate to previous financial years. The key issues arising have been summarised below:
- 2.44 Prior period adjustments:
- misstatement of Property, Plant and Equipment balances due to multiple inaccuracies in the Fixed Asset Register
 - failure to adequately recognise all creditors and accruals at 31 March
 - inadequate set aside for General Fund debt charges relating to unsupported borrowing (MRP)
 - misclassification of capital receipts as revenue income
 - misclassification of loans and equity investments on the Balance Sheet
 - dividend income recognised in the incorrect financial year
 - infrastructure assets not depreciated and de-recognised correctly
- 2.45 In-year adjustments:
- increased provisions for Business Rate appeals, bad debts, refunds and impairments
 - incorrect capitalisation of staff costs
 - incorrect classification of investment property
 - incorrect identification and disclosure of grant income.
- 2.46 The 2018/19 accounts have been extensively revised from those submitted in May 2021 as reported to the last Council meeting in July 2022
- 2.47 As well as errors in the financial statements themselves, the new Finance team has identified significant weaknesses in financial management, financial processes and systems of internal control. The Annual Governance Statement has been revised and updated to reflect these shortcomings.
- 2.48 The capitalisation direction estimated a pre-2019/20 deficit of £61.709m. This has been finalised in the revised to 2018/19 Statement of Accounts, subject to the conclusion of the audit. The final deficit for pre-2019/20 is an increase of £2.8m and is shown below:

Table 5 – Proposed Capitalisation Direction for pre-2019/20 periods

	pre 1 April 2017	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000
To correct incorrect capitalisation of staff costs for Agresso Support	477	1,416	1,125	3,018
To address expenditure incurred by Slough Children's Service Trust Ltd incorrectly classed as Transformation Funding	3,123	3,300	2,558	8,981
To address expenditure incurred by the Council incorrectly classed as Transformation Funding	1,009	1,517	3,997	6,523
Understatement of Minimum Revenue Provision	21,661	5,136	6,074	32,871
To correct the incorrect treatment of Overage Income as revenue income to the General Fund	2,203	1,430	-	3,633
To charge the Council's share of the Collection Fund deficit from 2014/15 to the General Fund	6,301	-	-	6,301
To correct incorrect capitalisation of Property Staff	1,159	1,082	898	3,139
Total	35,933	13,881	14,652	64,466

Update on the 2018/19 Audit

- 2.49 The audit of the restated accounts began on the 20th of July 2022; Council officers have been meeting with the audit team twice every week to ensure that the audit is progressing, and any issues identified are addressed as soon as possible.
- 2.50 Whilst good progress is being made and no material issues have been identified to date by the auditors, the audit is being conducted at a more detailed level than originally anticipated due to the increased risk profile of the Council in light of the issues currently being faced.
- 2.51 As a result, officers are having to respond to queries relating to adjustments made to the original draft accounts by the previous finance team, the key issues identified by officers as part of the audit are summarised below:
- material reconciliation issues between the statement of accounts and the financial system resulting from the unsuccessful implementation of CIPFAs Big Red Button for preparing financial statements.
 - lack of documentation and record keeping to support balances held in the financial system
 - manual adjustments made to the accounts with no detailed explanation of what these relate or how these have been calculated, these adjustments have been entered onto the financial system resulting in reconciliation issues and some of these adjustments relate to the 2014/15 financial year
 - lack of evidence and explanation for journals processed on the system

- working papers to support the accounts either do not exist, are of poor quality and do not reconcile to the amounts quoted in the accounts or the financial system

2.52 At present it is anticipated that the audit will be completed by October 2022. However, due to the increased risk profile of the Council further technical and independent reviews will need to be completed meaning that an audit opinion is unlikely to be issued until the end of the December 2022.

Accounts – 2019/20 and 2020/21

2.53 The Council's accounts beyond 2019/20 have not previously been prepared despite being several years overdue. The 2019/20 accounts have now been in preparation since July 2022 and are expected to be completed by the end of September 2022. The accounts for 2020/21 and 2021/22 are expected to be completed by the end of December 2022 and end of March 2023, respectively.

2.54 Issues identified by the Council's new finance team in the 2018/19 accounts will be corrected and fed into the accounts for 2019/20 and 2020/21. The key issues arising for 2019/20 have been summarised below:

- analytical review of transactions in 2019/20 has identified that like for like transactions have not been posted to the same code in the financial system when compared to 2018/19, resulting in misstatements of income and expenditure.
- accruals relating to 2018-19 have not being reversed in 2019/20 resulting in misstatement on income and expenditure in 2019/20.
- potential mapping issues within Comprehensive Income and Expenditure Statement resulting from the way in which the financial system has been set up and structured.
- general information to substantiate the figures/balances held in the financial system is not available so a lot of time (more than anticipated) is being spent on fact-finding and looking for insight
- many "timing differences" in control accounts which are material
- historic overstatement of housing rents – debtors are materially higher than what is recorded on Capita so needs to be written-off.

2.55 The capitalisation direction estimated for 2019/20 a deficit of £40.15m, this is now forecast as £37.33m. A reduction of £2.83m

Table 6 – Proposed Capitalisation Direction for 2019/20

	2019/20		
	Original estimate	Revised estimate	Movement
	£'000	£'000	£'000
Forecast Outturn Position	2,950	2,950	0
Emerging Pressures, Contingencies, and Provisions	22,000	18,291	-3,709
Companies	500	500	0
Incorrect capitalisation of staff costs	9,360	10,241	881
Minimum Revenue Provision (MRP)	5,348	5,348	0
Total	40,158	37,330	-2,828

2.56 The Capitalisation Direction estimated a 2020/21 deficit of £25.93m, this is now forecast as £21.79m. A reduction of £4.14m. Detail on the movements in later years is as set out in Appendix 3.

Table 7 – Proposed Capitalisation Direction for 2020/21

	2020/21		
	Original estimate	Revised estimate	Movement
	£'000	£'000	£'000
Forecast Outturn Position	6,942	6,942	0
Companies	300	300	0
Incorrect capitalisation of staff costs	5,104	5,104	0
Minimum Revenue Provision (MRP)	13,586	9,448	-4,138
Total	25,932	21,794	-4,138

2.57 An all years full analysis is shown in Appendix 6

Finance Service Structure

2.58 A key requirement for the Council is a designed and implemented permanent finance structure with appropriate service business planning, training and development, leadership etc . The required structure has been designed, evaluated, consulted on and agreed by Cabinet and is supported by a comprehensive business plan prepared in February 2022. The consultation phase of the Finance and Commercial services restructure completed on 27 July. The recruitment phase has now begun and will take place during September and October with an expectation of new appointments being in place by 31 December 2022.

2.59 The contract status of the current key finance interims has been discussed with them and all have agreed to remain until March 2023

Revenues and Benefits

- 2.60 The revenues and benefits service is a key element of the Council's finances being responsible for the collection in the region of £65m per annum. The service has recently come under the leadership and management of the Finance Service and has addressed the following key issues

Collection

- 2.61 Improvements are being seen for in-year collections for both Council Tax which stands at 45.76% up 0.25% on the same time last year and NNDR at 47.22% up 6.78% on the same period last year. Considering the economic conditions the Council Tax collection is very encouraging. It is anticipated that will be further improved next month. Arrears collection is also improving with Council tax balances reduced by £2.25m (10.85%) so far this year and NNDR seeing a reduction of £3.16m (29%).

Energy Rebates

- 2.62 The payment of the core scheme has been completed, paying £2.06m to the last 13,704 rebates onto residents Council Tax accounts. That brings the total number of Slough Households who have received the rebate to 46,674 paying a total of £6.8m.

Projects

- 2.63 Development of the service continues with a number of key projects underway which include:
- Academy Cloud Migration
 - recovery data cleansing releasing more than £0.5m of debt that was effectively on hold to be recovered
 - contracts are being finalised for the robotics project

3 IMPLICATIONS OF THE REPORT

3.1 Financial implications

- 3.1.1 These are set out throughout the report. Should the work being undertaken not be completed or be significantly delayed, the Council's financial position would quickly deteriorate and become untenable.

3.2 Legal implications

- 3.2.1 On 1 December 2021 the Secretary of State for Levelling Up, Housing and Communities made a statutory direction requiring the Council to take prescribed actions and that certain functions be exercised from this date by appointed Commissioners, acting jointly or severally. The functions to be exercised by the Commissioners include the requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Council's financial affairs, and all functions associated with the strategic financial management of the Council, including providing advice and challenge to the Council in the setting of annual budgets and a

robust medium term financial strategy, limiting future borrowing and capital spending. The Explanatory Memorandum to this Direction confirms that in practice most decisions are expected to be taken by the Council, however the Directions are designed to give the Commissioners the power to tackle weaknesses identified to ensure the Council is better equipped to meet the best value requirements. Cabinet and full Council should have regard to the advice and comments of the Commissioners contained in this report

3.2.2 The Council has a number of statutory duties in relation to financial management. These include the following:

- Under Part I of the Local Government Act 1999, a best value duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of efficiency, economy and effectiveness;
- Under section 31 of the Local Government Finance Act 1992, the requirement to set a balanced budget at the start of each financial year;
- Under section 28 of the Local Government Act 2003, a requirement to review actual expenditure against the approved budget on a regular basis throughout the year and, where it appears that there has been a deterioration in the financial position, a requirement to take such action as is necessary to deal with the situation;
- Under The Accounts and Audit Regulations 2015, a requirement to maintain adequate systems of internal control.

3.2.3 The Council's Constitution, which is based on the requirements of the Local Government Act 2003, requires that decisions in relation to financial management must be taken at specific levels within the organisation, as follows:

- Full Council is responsible for approving the policy and budget setting framework at the start of each financial year. This includes approval of Council Tax increases, revenue and capital budgets, Treasury Management Strategies and capital investment plans.
- Cabinet is then responsible for determining how and when expenditure will be incurred, and what levels of service are provided, so long as this is in accordance with the overall budget framework.
- Part 3 of the Constitution also includes a Scheme of Delegation whereby some decisions can be delegated to individual officers or to senior officers acting as a group.

3.3 Risk management implications

3.3.1 There are a range of risks associated with this work. These risks and the mitigations put in place to manage them are set out in Appendix 1. Some of these mitigating actions are already in place, others will take time to develop and embed. This risk assessment will continue to be developed and the position continuously assessed, with regular reporting to members as part of these progress reports.

3.4 Environmental implications

3.4.1 The work being undertaken will allow the Council to continue to function and thus help address its environmental aspirations

3.5 Equality implications

3.5.1 The work being undertaken will allow the Council to continue to function and thus help meets its equality requirements

3.6 Procurement implications

3.6.1 The proposed asset disposal programme, implementation of the Council's procurement strategy and maintenance or improvements to financial systems will all require the assistance of external specialists who will provide additional skills and capacity not currently available in-house.

3.6.2 Any support obtained from external support consultants will be secured in compliance with the Public Contracts Regulations 2015, Council procurement policies, and within approved budget spending limits.

3.7 Workforce implications

3.7.1 There are workforce implications associated with the restructure of the department which are being managed with HR support. Possible future changes to the staffing structures within Finance functions referred to this report are subject to future Cabinet reports which will fully consider workforce implications.

3.8 Property implications

3.8.1 The asset disposal programme referred to in section 8 of this report will directly impact on the Council's property holdings. Full details will be provided via six-monthly progress reports to Cabinet.

4. Comments of other Committees

The report was considered by Cabinet at its meeting held on 21 September 2022. Cabinet agreed to recommend the report to Council for debate and it is now presented for scrutiny.

APPENDICES:

Appendix 1 - Risk assessment

Appendix 2 - Response to CIPFA Review

Appendix 3 - Response to DLUHC Governance Review (Finance only)

Appendix 4 - Response to Grant Thornton's recommendations

Appendix 5 – Response to Directions (Finance only)

Appendix 6 - Capitalisation Direction Changes

Risk management

- There are a range of risks associated with this report. Risk identified to date have been listed below, together with the mitigations put in place to manage these risks down to acceptable levels. Some of these mitigations are already in place, others will take time to implement and embed. All risks and mitigations will change and develop over time and the current position will need to be continuously assessed. The RAG rating after mitigation is not time related ie as has been previously advised this while process will take circa 4 years.

Risk	RAG Before Mitigation	Mitigation	RAG After Mitigation
DLUHC/CIPFA/Grant Thornton/Commissioners may not have confidence that the Council can address all the matters to the quality and in the time needed	Red	Recruitment of new finance team in progress Employment of temporary additional resource Creation of appropriate permanent finance structure External review comments on the newly instigated finance service This also requires considerable input from across the whole Council	Red
Accounts not completed	Red	Employment of national experts Creation of robust project plan as developed and successfully used elsewhere Utilisation of proven whole team methodology On-going engagement with external audit Extensive training	Green
Budget may not be brought into balance	Red	On-going communication with DLUHC regarding capitalisation directions Development or more rigorous processes and timelines Continuous weekly meetings at all levels – officers and Members from July Proposal for asset sale process at a level that will have a material impact on borrowing levels in the longer term Cleansing of all budgets over the coming 18 months Major reductions in the capital programme Agreement from all involved that all matters have to be considered The Council is awaiting reviews of the SCF business plan which is currently having a material impact on the 2023/24 budget proposals.	Amber
2022/23 Budget may not balance	Red	The Council is also currently facing the risk of a 2022/23 in year overspend. This will be firmed up as at 30 June when we will have the 21/22 outturn and the first quarters monitoring and thus at that stage the RAG rating may change	Green
Weaknesses in Council's strategic use of companies, governance, management, financial reporting and performance management continue	Red	Holistic reviews of all companies planned and in some cases underway Some issues already being addressed through Cabinet and Council. (Others will take place over the coming 18 months)	Green
Internal Audit reviews not actioned or consider the holistic requirements of the Council	Red	Proactive management of internal audit recommendations is now taking place and chasing down of responses to and implementation of actions. Discussions have been had with Internal about the balance of their reports in the context of the council's current position and extensive change agenda.	Green
Systems continue to fall behind the latest version, development work is not taken forward and	Red	Structure, resources and practices are under review and will be analysed, reviewed and assessed to address the issues	Amber

priorities are not identified or resourced		ICT restructure is being prepared and will greatly impact on this when in place	
Finance Team reverts back to being under resourced and under skilled	Red	Restructure programme well advanced for October completion Current team of interims are secured for the short to medium term Skills transfer takes place which is already underway Training is developed which is underway Additional required temporary and permanent resources are identified and secured The residual risk is securing a permanent team which makes the risk Amber at this stage	Amber
Poor financial management practises continue New practices are not embedded	Red	Range of new processes introduced on a phased basis Officers trained in the new approaches This depends upon officers throughout the Council fully engaging with the rigours of budget management	Amber

Response to CIPFA review

No.	Recommendation	Action taken	Responsible officer	End Date
Strengthening Financial Sustainability				
A On future sustainability: Establish a detailed plan to close its short and long-term budget gap				
1	1. The S151 Officer present their plan for the steps that they need to take to rebalance the budget to Council in October and seek Council approval for the Plan.	Plans were taken to Council in October 2021. Plans approved. Budget for 2022-23 approved.	S Mair	Complete for short term Work continues for the longer term
2	Complete	Complete	Complete	Complete
3	Complete	Complete	Complete	Complete
4	The Council produces detailed delivery plans for savings required over the MTFs by May 2022.	Costed savings action plans have been produced for the 2022-23 budget and proposals are now being prepared for the 2023-24 budget which will be refined through to October 2022. The process beyond 2023/24 will be based on a zero basing of the Council's budget	S Mair/EDs	Complete Budget Paper going to September Cabinet ZBB will take through to October 2023 to set up and implement in 2024/25
B On future sustainability: Establish a high-level risk register				
5	Complete	Complete	Complete	Complete

	C On Commercial activities and borrowing: Set limits on future borrowing and capital spending			
6	Complete	Complete	Complete	Complete
7	Complete	Complete	Complete	Complete
	D On commercial activities and borrowing: Gain increased assurance concerning the potential scale of past and future liabilities.			
8	The Council further reviews the risk-based approach to identifying liabilities to enable it to improve its assurance around the size and scale of current and future liabilities before it sets the budget for 2022-23.	<p>Since the CIPFA report was drafted work has been undertaken to improve the Council's understanding of the scale of liabilities – past, current and future. This covers not only capital finance but also provisions eg GRE 5 and others. This will continue to be developed during 2022/23</p> <p>Budget set for 2022-23 including estimate of £307m capitalisation direction from DLUHC to support current year and previous errors, and estimated liabilities.</p>	S Mair	<p>Complete for budget 2022/23</p> <p>On-going for future years and in respect of Council Companies</p>
	E On Assets: Develop an outline disposal plan			
9	The Council considers at an early stage its approach to asset disposals and how it will secure the necessary expertise that it needs to achieve best value.	<p>The Council approved sale of up to £600m of assets and the procurement of external advisors in September 2021 to assist with the asset disposal programme.</p> <p>Avison Young were appointed and have produced a detailed disposal strategy with estimated sale proceeds and timeframes.</p> <p>AY identified £335m of assets that could be sold in the next five years.</p>	S Mair/R West	Complete

		<p>This excludes income from a Housing Stock Transfer which after Repayment of HRA debt would provide a net capital receipt of £84m. If all these assets were disposed of then the net revenue impact due to reduction in minimum revenue provision reductions would be £21m per annum.</p> <p>Local Partnerships Ltd have been engaged to provide options for disposing of James Elliman Homes Ltd.</p> <p>Montague Evans commissioned for options for SUR LLP to explore sale of sites to Homes England.</p>		
Strengthening Financial Governance and Oversight				
F Raise Member awareness of the scale of the financial challenge and its implication				
10	Mandatory briefings are provided to all Members on the Council's financial challenge.	<p>Financial briefings provided weekly by s.151 officer and to each Full Council meeting.</p> <p>In addition, training session on Public Sector Finance delivered to Members on Thursday 14 April 2022 to be followed by a series of future training briefings.</p>	S Mair	Complete
11	Specific further training is provided to members of the Audit Committee to raise further awareness of their governance role and that this training is repeated as part of the induction process for all new members when they join.	<p>Programme of member training being developed in conjunction with the Monitoring Officer</p> <p>Briefing programme and dates being finalised post-election to</p>	S Mair/Sarah Wilson (Interim)	Complete for induction training

		<p>assess if any changes that need factoring into future sessions. Initial programme agreed at Audit and Corporate Governance Committee in January 2022.</p> <p>Induction session held for new members in July 2022.</p>		On-going training programme in place
G Address immediate Financial Governance risks				
12	Complete	Complete	Complete	Complete
13	The Council reviews financial regulations in the medium term	<p>Review underway and includes alignment with the recently updated (June 2021) Scheme of Delegation.</p> <p>First draft produced subject to wider governance review and comments received and incorporated in July 2022.</p>	S Mair	<p>October 2022 completion target</p> <p>On Track</p>
14	The Council sets out clearly the financial responsibilities of all new staff, interim and agency staff when they commence work with the Council.	The updated Financial Regulations will cover this. Additional briefings required for interim and current staff	S Mair	<p>October 2022 completion target as per above</p> <p>On Track</p>
H Prepare an Annual Governance Statement for 2020-21				
15	An Updated Annual Governance Statement and Action Plan should be prepared for consideration by the Audit and Governance Committee by December 2021.	<p>Work is complete on a first draft AGS for 2020/21 expected in early November.</p> <p>Draft AGS completed and reviewed by CLT. Document will need finalising and further review once</p>	S Mair	Complete subject to timing of the finalisation of accounts.

		the 2020-21 financial statements are completed in Autumn 2022.		
	I Undertake an independent review of the Procurement Function			
16	Complete	Complete	Complete	Complete
	J Review the provision of Internal Audit			
17	Complete	Complete	Complete	Complete
	K Enhance Financial Capacity			
18	Complete	Complete	Complete	Complete
19	The organisation makes further provision to enhance the capacity within the finance team including exploring other delivery avenues e.g. shared services	Restructure now completed and recruitment phase beginning through to end of October 2022. If recruitment in the wider marketplace is unsuccessful, then other options will be considered..	S Mair	October 2022 On Track
20	The Council commissions an independent review to demonstrate that financial procedures and processes are robust by May 2023.	O/S – not yet due This will be commissioned in December 2022		March 2023 On Track
	L Stabilise the Finance Leadership Team			
21	Complete	Complete	Complete	Complete
22	Complete	Complete	Complete	Complete

Response to MHCLG/DLUHC Governance Review

No.	Governance recommendations	P=Priority action M=Medium term action	Action Taken	Responsible Officer	Status / Next Steps
1	2. Undertake a pragmatic, rapid risk assessment of the functional capability of each service area identifying the gaps in capacity and capability. This process needs to be owned by the organisation. Junior managers and front-line colleagues should be involved in contributing to the way forward.	P	Finance Action Plan has been developed reflecting the risks facing the Finance function and is being reviewed monthly Service plan completed to tie in with new Corporate Plan.	S Mair	Continuous On Track
2	3. Prioritise the service areas to be addressed and determine a rigorous plan and allocate resource accordingly. Examples of service areas to be prioritised would be finance, revenue and benefits, IT and democratic services, including scrutiny.	P	Finance Action Plan has been developed and is being reviewed monthly this includes all areas of finance and revenues and benefits. Service plans now completed and being assessed against requirement of the new Corporate Plan. Finance complete, Revs and Bens to follow	S Mair	Continuous On Track
3	Complete	Complete	Complete	Complete	Complete
4	6. Identify permanent statutory post holders within the new scheme of delegation.	P	The Financial Regulations are currently being reviewed to	S Mair	October 2022

			align with the Scheme of Delegation revised in July 2021. A revised set of Financial Regulations has been produced and will be finalised by October 2022.		On Track
5	Complete	Complete	Complete	Complete	Complete
6	12 Address each unique management action from internal audit reports and use them as indicators of possible service failure. Prioritise, target and remediate each action as a matter of urgency. Include actions identified in the six draft audits completed in year to date.	P	Actions from finalised audit reports are incorporated into the IA Management Action Tracker. Council has recruited a specific resource to monitor implementation of IA recommendations and the corporate and departmental risk registers.	S Mair	Continuous On Track
7	Complete	Complete	Complete	Complete	Complete
8	Complete	Complete	Complete	Complete	Complete
9	Complete	Complete	Complete	Complete	Complete
10	16 Improve proper decision making at appropriate governance levels and relevant meetings. For example, the annual review of the Council Tax Reduction scheme at full council and the comprehensive list of annual contracts to Cabinet.	P	An improved report went to May Cabinet and a further iteration is planned for Cabinet in September 2022 setting out the value, term and purpose of all contracts greater than £180k in value.	EDs	Complete as part of budget process
	5. Culture and Leadership recommendations				
11	Complete	Complete	Complete	Complete	Complete
	6. Financial governance recommendations				

12	21 Produce an overarching corporate action plan in response to the section 114 notice which indicates the way to financial sustainability	P	<p>Revised Corporate Recovery and Improvement Plan approved by Council in May 2022 and now assimilated into Service Plans including an outline Medium Term Financial completed in May 2022.</p> <p>Outline financial plan completed as required and detail being progressed at pace:</p> <p>2018/19 accounts done, being audited 2019/20 will be complete by 30/9/22 2020/21 by December 2022 2021/22 by March 2023</p> <p>2022/23 budget monitor and CD reviewed and revised</p> <p>2023/24 likewise</p> <p>Initial proposals for 2024/25 commenced</p>	S Brown	Complete
13	22 Ensure the recommendations in the concurrent CIPFA report are carried out.	P	Ongoing – see above	S. Mair	On Track

14	23 Develop the good awareness raising initiated by the interim s.151 officer into a mandatory financial and budget training module for all councillors and budget holders.	M	Included in the programme of training for Members and budget holders reviewed by Audit and Corporate Governance Committee in January 2022. First training session to be delivered on 14 April on Local Government Finances.	S Mair	Continuous as training programme develops
15	24 Ensure that the excellent work of the interim s.151 and his team (in terms of action planning around the external reports) has corporate ownership and that finance is not merely regarded as a technical activity, but as an enabling function to help council wide continuous improvement.	M	Ongoing via weekly/monthly finance update briefings to Members, Commissioners and CLT and reinforced through the approach to business cases.	EDs	Complete
16	25 Respond corporately and systematically (not just in a financial sense) to the ongoing reviews of council owned companies to ensure immediate, effective governance of these companies.	M	Established a Corporate Oversight Board for SUR which has been extended to cover all the Council's companies, except Slough Children First Ltd. Dormant companies closed down by June 2022. Options review of each of the active companies is currently underway.	S Mair/R West	Complete
17	Complete	Complete	Complete	Complete	Complete
18	27 Carefully manage the potential reduction from £6m to the return on investments as a significant risk. The disposal strategy should be	M	The asset disposal programme will take into account reductions in investment income streams.	S Mair/R West	Complete as not considered

	completed. This might take some time, which could delay the amount of revenue available to the council.		However the £6m return is a gross return and did not take into account costs of borrowing or operating costs. Therefore expect this to be minimal impact.		a significant risk.
7. Services recommendations					
19	29 Address recommendations 1,2 and 3, which will help improve performance in other service areas, particularly revenues and benefits, IT, finance and democratic services.	P	See above	S Mair	On Track
8 Capacity/capability recommendation					
20	30 Significantly reduce the reliance on external consultancy and external contracts which deliver 'internal' services. Build and use internal capacity.	M	<p>Finance restructure in place and consultation completed in July 2022. Recruitment expecting to be completed by October 2022.</p> <p>Other service areas also subject to significant restructure with a view to appointing permanent staff.</p> <p>Alternative options to be considered if recruitment is unsuccessful.</p>	EDs	On Track

Response to Grant Thornton’s recommendations

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
1	<p>Agreed savings are not supported by robust savings plans and as such are at risk of not delivering as anticipated.</p> <p>Medium</p>	<p>The Council should:</p> <ul style="list-style-type: none"> Ensure that savings are supported by robust savings plans and business cases Strengthen arrangements by introducing a corporate function, which could assess the likelihood of delivery, the robustness of proposed savings and their supporting plans as well as monitor delivery. 	<p>The Council has recently undertaken a number of actions that will address this and related issues</p> <p>The Council amended its then officer Strategic Finance Board (SFB) chaired by the Chief Executive to ensure that the then Executive Board was fully aware of all pertinent financial matters within the Council and gained a holistic understanding of the Council’s finances. This Board received papers on financial standards, the accounts, the budgets, and other matters</p> <p>As part of this the Council has:</p> <ul style="list-style-type: none"> Revised its revenue business case and process to ensure 	S Mair	<p>Complete for 2022/23, in development for 2023/24</p> <p>Agreed for council services not yet for SCF</p> <p>Agreed for council services not yet for SCF</p> <p>Design and implementation of the ZBB process will start from Autumn 2022 but not in place until 2024/25.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>that the business case focuses on the case for change, value for money and affordability before moving into the technicalities of procurement etc. Thus, assisting in ensuring that the Council's base budget is as robust as it can be and hence helping to provide a more informed base from which to generate any necessary savings</p> <ul style="list-style-type: none"> • Related to savings, the Council has a separate business case for savings which has been supplemented by a Saving Action Plan to assist in the verification and tracking of saving plans going forward 		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<ul style="list-style-type: none">The finance service led the process for the budget for 2022/23 and the correction of the 2021/22 budget and worked with service colleagues to review and challenge all budgeted and future savings, monitor delivery, identify pressures and seek from colleagues' mitigations as necessary. It also revised the equality impact documentation. Going forward a further revised process will be established that will bring into the assessment of savings plans colleagues from other disciplines such as legal, HR, ICT etc – all working closely with service officers		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<ul style="list-style-type: none"> Supplementing this the Council revised its officer budget process to accelerate the timeline for production of the budget to allow for full engagement and scrutiny by Members in all their roles and likewise for full consultation and communication with other stakeholders The design of the budget process will continue to develop through such as the introduction of Zero-Based Budgeting for the financial year 2024/25. Embedding this and the new standards will take some considerable time 		
2	We consider there is scope to ensure that the	The governance arrangements could be	A thorough review and redraft against the CIPFA	S Mair	On Track

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>Annual Governance Statement (AGS) more clearly sets out the processes and procedures to enable the Council to carry out its functions effectively. Medium</p>	<p>improved by developing the AGS and introducing:</p> <ul style="list-style-type: none"> <li data-bbox="645 347 987 603">• Assessment of the effectiveness of the framework, it should be more than a description of what is in place <li data-bbox="645 608 987 863">• How the Council is defining outcomes in terms of sustainable economic, social, and environmental benefits <li data-bbox="645 868 987 1086">• An action plan, that brings together and addresses all the significant issues faced by the Council <li data-bbox="645 1091 987 1391">• A formal mechanism that monitors and assesses the progress of the issues and recommendations raised in the AGS throughout the year. 	<p>Solace framework has been completed for all years 2018/19 to 2020/21. CLT have reviewed and commented on all three AGS's and these comments have been incorporated into the revised documents.</p>		<p>Embed processes to ensure that future versions of the AGS are completed in accordance with the CIPFA Solace Framework.</p> <p>A new process will be implemented during the Autumn of 2022 for completion of the 2022/23 AGS.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
3	Complete	Complete	Complete	Complete	Complete
4	<p>Effective governance arrangements are not in place to ensure those in charge with governance are able to make decisions in an open and transparent way</p> <p>High</p>	<p>Cabinet and scrutiny should be regularly updated on the performance of their key services and be able to challenge this performance and have the opportunity to make informed decisions in formal committee meetings.</p>	<p>On the back of the agreement of the Corporate Plan and Service plans there has also been the introduction of integrated financial performance and risk reporting from August 2022.</p> <p>We have recently begun the preparation of holistic financial briefings for Officers and Members, and these will be further developed in the future. We have also as noted above revised the budget timeline which will allow for more informed Member consideration of the budget and have introduced quality guidance for finance and other officers on the production of budget monitoring reports and financial implications in reports.</p>	S Mair	<p>On Track</p> <p>Financial reporting will be further developed during 2022/23</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>We will ensure that key service financial and performance information is included as a regular agenda item for Cabinet, Scrutiny and the Audit and Governance Committee.</p> <p>A training programme is in place for officers in relation to procurement and contract management processes and procedures, including the council's contract procedure rules.</p>		
5	<p>Effective contract management arrangements are not in place to effectively manage statutory services that are delivered by third parties</p> <p>High</p>	<p>The Council should consider and ensure effective arrangements are in place in the following areas:</p> <ul style="list-style-type: none"> • Role of elected members, including Members of the Board, as possible shareholder committees or monitoring committees such as the Commercial Sub-Committee, as 	<p>The Council has begun reviews of its management of third-party organisations and will be implementing a series of changes which will include among other matters appointing appropriate Senior Responsible Officers to ensure that companies meet their objectives, put in place new arrangements for holding companies to account, reviewing how the companies meet the Council's objectives, a</p>	S Mair	<p>On Track</p> <p>The ongoing reviews of the Companies will continue throughout 2022/23</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<p>well as the role of scrutiny committees</p> <ul style="list-style-type: none"> <li data-bbox="645 352 987 1158">• Elected members who are Board Directors of the SCST need to understand their responsibilities and duties to SCST and ensure they effectively manage any conflicts of interest. All company directors have a duty to act in the best interests of the company rather than in the best interests of the body that has appointed the Director to the company (e.g., the Council) <li data-bbox="645 1166 987 1422">• Elected members committee functions, this should include those charged with governance who would have oversight of the 	<p>review of the work undertaken by the companies, developing a clear approach to testing value for money etc.</p> <p>An extensive report has also been made to the Audit and Corporate Governance Committee.</p> <p><u>The Council has established a Corporate Oversight Board for Slough Urban Renewal (SUR) to strengthen governance and management arrangements, including oversight of a phased reduction in SUR's activities. New directors have also been appointed to oversee the changes and planned exit from SUR. Good progress has been made on the disposal of a number of sites that are optioned to SUR, with completions expected in early 2023.</u></p>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<p>effectiveness of the SCST Board in line with Council's strategic objectives and statutory duties as well as scrutiny</p> <ul style="list-style-type: none"> <li data-bbox="645 497 1003 976">• The Council would benefit from applying consistent arrangements across the Council for dealing with all its third-party companies and ensure the role of the Commercial Sub-Committee is effective and understood <li data-bbox="645 1018 1003 1311">• Those charged with Governance should receive updates and reports on a regular basis (quarterly as a minimum) to enable informed decision making. 	<p><u>Significant progress has been made to GRE5's financial planning and reporting, oversight and critical governance arrangements including the appointment of new directors, the establishment of a new corporate oversight group and strengthened risk management. The Council's loan to GRE5 has now been fully executed following a financial review in FY 21/22 which identified that the Council's loans had not been approved in line with its Investment Strategy and was not implemented appropriately. Whilst building work is underway on Nova House, a number of additional structural issues have been identified which have had an impact on the ACM works and the resolution of the legal claim. An updated project and finance plan will be produced in Autumn 2022.</u></p>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p><u>Several issues have been identified across the key 'active' companies (JEH and DISH) primarily in relation to governance, financial planning and reporting, risk management, operational effectiveness, financial and commercial performance. New directors and governance arrangements alongside strengthened performance and financial reporting arrangements have been introduced for JEH. In addition, a JEH strategic review has identified a number of long-term options which the Council will consider with the aim of developing an implementation plan before the end of FY 22/23.</u></p> <p><u>In 2022/23 work will continue to focus on addressing internal and external audit recommendations, exploring opportunities for asset disposals and the</u></p>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<u>release of asset value and developing exit strategies for all companies.</u>		
6	Effective governance arrangements are not in place to effectively manage statutory services that are delivered by third parties. High	<ul style="list-style-type: none"> The Council should introduce contract management to ensure services are delivered as planned and any mitigating actions can be taken in a timely manner 	The first recommendation is being dealt with as noted above and will be picked up by the new Commercial team once in post.	S Mair	On Track
		<ul style="list-style-type: none"> The Council should consider using its internal audit service to gain assurance that its contract procedures are being effectively applied across all Directorates 	In respect of gaining assurance this will be undertaken in two ways – through internal audit as described and through reviews by the Finance and Commercial team. The S151 officer will engage an audit of the procurement arrangements independent of the Council's current provider RSM to avoid any conflict of interest	S Mair	On Track Procure alternative internal audit of the procurement function – to be actioned by October 2022 once new team in place.
7	Complete	Complete	Complete	Complete	Complete
		Complete		Complete	
8	Complete	Complete	Complete	Complete	Complete
		Complete		Complete	

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
9	Complete	Complete	Complete	Complete	Complete
10	Complete	Complete	Complete	Complete	Complete
11	Complete	Complete	Complete	Complete	Complete
12	<p>Debtor and creditor reconciliations</p> <p>During our testing of the debtor and creditor balance there were issues with the client producing reconciled balances which should represent the year end debtor and creditor positions excluding in year movements. Our sample testing of debtors and creditors has not identified any material balances that are not supported.</p> <p>We have discussed this with management and confirmed that a process has been undertaken in 2020 to review debtor and creditor codes and cleared down items</p>	<ul style="list-style-type: none"> Perform review of the debtor and creditor account codes to ensure that balances are appropriate and valid and clear those that are not. Establish a reconciliation process for all debtors and creditor accounts to ensure the balances are fully supported and valid debtors or creditors 	The systems review is in progress as is the preparation of the year end analysis.	S Mair	<p>On Track</p> <p>Ensure that processes are revised and improved and monthly reconciliations are carried out once the review has been completed</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>which are no longer valid balances.</p> <p>High</p>				
13	<p>Income and Debtors</p> <p>There is no review process over invoices issued before they were sent out to clients. The Council relies on customers to identify and inform them of any errors noted. However there is risk that if the invoice is undercharged and the customers may not raise error, and the Council may suffer a loss from undercharging.</p> <p>High</p>	<p>Review the internal processes over invoice raising to ensure there is sufficient review of invoices before they are sent to clients</p>	<p>As above</p>	<p>S MAIR</p>	<p>On Track</p>
14	<p>Declarations of interest</p> <p>Councillor and Senior Officer declaration forms are not dated. There is a risk that the</p>	<ul style="list-style-type: none"> Ensure that all forms are signed and dated as part of their standard procedures 	<p>The Council requires every entry to the members register of interests to be signed and dated, it is standard practice that this is always followed. In the past 12 months the Council</p>	<p>S MAIR</p>	<p>On Track</p> <p>Check responses against list of Members in office and Officers employed by the Council during the</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>declaration record is incomplete or insufficient as a result. The most recent forms for three Councillor declaration forms were signed, but not dated. Signing / dating a declaration form should be standard practice, as it could lead to forms being misfiled, or new interests not being declared in a timely manner.</p> <p>Senior Officers that were working for SBC through a contracting company are not required to complete a Declaration of Interests form.</p> <p>Interim staff are not required to complete the Registers of Interests and Gifts and Hospitality.</p> <p>High</p>	<ul style="list-style-type: none"> Consider whether Officers, including interim staff, should complete declaration forms as they may be able to have a 	<p>has strengthened the process and a democratic services officer must always countersign each form received from a councillor to ensure completeness.</p> <p>Senior officers' declaration forms are not part of this process and are in fact part of the declaration process for all staff which uses an online HR process to gather the submissions.</p> <p>The Council has also implemented a new process for capturing related party transactions for Members and Chief Officers. Responses will be cross-checked against the records held by Companies House to ensure completeness.</p> <p>The Council has implemented a process by to ensure that any interim staff or those recruited through contracting companies are required to</p>	<p>S MAIR</p>	<p>financial year in question. Cross-check against the records held by Companies House to ensure completeness.</p> <p>Check responses against list of Members in office and Officers employed by the Council during the financial year in</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<p>significant influence on the council's high-level decisions.</p>	<p>complete a declaration of interests form and where appropriate complete their Directorate gifts and hospitality register.</p> <p>The Council has also implemented a new process for capturing related party transactions for Members and Chief Officers. This will be completed electronically with responses documented as evidence. Responses will be cross-checked against the records held by Companies House to ensure completeness.</p>		<p>question. Cross-check against the records held by Companies House to ensure completeness.</p>
15	<p>Fixed asset register</p> <p>The client informed us of a number of properties which had not been removed / reclassified in the fixed asset register prior to the production of the year end financial statements.</p>	<ul style="list-style-type: none"> Establish a process to perform an annual review of assets to ensure that all disposals and reclassifications are amended Establish an in-year process for capital 	<p>Investigation into Council's asset register identified that there was a lack of in-house knowledge on how to use the Council's fixed asset register and a lack of guidance notes. Training on how to use the system has been provided to the relevant members of staff along with guidance notes</p>	S Mair	<p>On Track</p> <p>Quarterly reconciliations to be carried out going forward as part of the capital monitoring process to ensure that asset movements and reclassifications are captured appropriately</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	We also identified material assets which had been fully depreciated and were held at net nil valued in the fixed asset register and accounts. High	movements to be notified on a timely basis to the finance team to ensure the fixed asset register is maintained accurately. This should be reconciled to the accounts as part of the year end closed own procedures	and video demonstrations saved in a central location to ensure resilience in the future.		
16	Complete	Complete	Complete	Complete	Complete
17	Complete	Complete	Complete	Complete	Complete

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
18	Finance capacity and skills	The Council should put in place robust arrangements for the production of the 2019/20 and 2020/21 financial statements which meet statutory requirements and international financial reporting standards. To achieve this the Council should:		S Mair	Complete
		<ul style="list-style-type: none"> Ensure sufficient resources and specialist skills are 	Gaps in the Council's own team skills and capacity have been	S Mair	The restructure of the Finance and Commercial services

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		available to support the accounts production	<p>addressed in the short term by the appointment of interim staff to provide additional capacity.</p> <p>The Council began formal consultation on a restructure for the Finance and Commercial Services department on 28 June 2022. The restructure proposals have been approved For consultation by the Cabinet, the Employment and Appeals Committee and CLT. The restructure including recruitment to a permanent team should be complete by November 2022.</p>		<p>Department began formal consultation on 28 June and ran to 27 July 2022. All current staff have been matched to posts within the new structure or alternative posts within the council. Recruitment to a permanent team is expected to be complete by November 2022.</p> <p>During 2022/3 interim resources will be utilised to continue the change agenda ser in train during 2021/22. Once the recruitment to permanent posts has been concluded then the position in relation to interim support will be reviewed, although this expected to reduce significantly during 2023/24 and</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
					beyond, although it is anticipated there will still be a need for interim support for some time to come.
		<ul style="list-style-type: none"> Ensure the finance team has the skills and capacity to enable effective financial management arrangements and support the production of technically sound financial statements, 	<p>Training programme was developed and rolled out to the whole finance team in October 2021.</p> <p>Individual training sessions will be arranged as and when necessary. External training will be brought in if necessary</p>	S Mair	<p>Complete for 2018/19 accounts</p> <p>The programme of training was completed by the end of November 2021.</p> <p>Additional training will be provided as and when necessary.</p>
		<ul style="list-style-type: none"> Ensure finance officers are provided with additional training, to ensure all staff involved in the accounts production process have the necessary technical knowledge of the CIPFA Code 	<p>As above. In addition, the CIPFA Code and other technical guidance documents have been acquired and made available to the whole finance team. The Council also has access to technical advisors from CIPFA via its subscription to CIPFAs Finance Advisory network.</p>	S Mair	As above

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> Introduce appropriate project management skills to oversee the timely production of the financial statements and supporting working papers 	Weekly meetings have been arranged with the core team to ensure timely production of accounts		Weekly meetings will continue until the accounts have been prepared.
19.	Preparation of the financial statements	<p>The Council should develop a comprehensive project plan for the preparation of the accounts which ensures that:</p> <ul style="list-style-type: none"> Entries in the accounts and supported by good quality working papers which are available at the start of the audit The financial statements and working papers have been subject to robust QA prior to approval by the s.151 officer There is clear ownership and accountability for tasks across service areas to support the timely production of the financial statements 	<p>This is an area that the Council will seek to continuously improve. For the 2019/20 and 2020/21 accounts, the following improvements have been introduced:</p> <ul style="list-style-type: none"> Comprehensive accounts plan linked to the auditors required by client schedule. This has been communicated to all key stakeholders and includes a responsible officer for each task and separate deadlines for 	S Mair	<p>Complete for 2018/19 accounts</p> <p>Progress against the plan will be monitored on a regular basis and feedback sessions will be held with all key stakeholders once the project is completed in order identify areas that might require further improvement.</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>preparation and review</p> <ul style="list-style-type: none"> • Standardised templates linked back to the Code have been prepared for all notes. The templates also include a three-stage quality assurance process covering 1) preparation, 2) technical review and 3) sign off review • Improved communication through the project plan, including regular and early communication to all stakeholders. • A whole team approach has been instigated through the 		

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>involvement of the whole finance service to bring greater resilience and resource to this key requirement.</p> <ul style="list-style-type: none"> • Comprehensive training and development for finance staff including how to prepare, and also regular reviews of, working papers that include evidence of the transactions in the ledger, an enhanced checklist of requirements, quality assurance review, links between the working papers and clear mapping to the ledger. 		

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
20	Levels of usable reserves	The Council should take urgent action to address its low levels of unearmarked and earmarked reserves through:		S Mair	On-going
		<ul style="list-style-type: none"> Developing a clear, sustainable medium-term financial plan to significantly replenish reserves to a level which enable it to respond to any significant unexpected events or manage its position effectively where its savings programme are not fully achieved 	<p>The Council has begun and agreed at officer level, a robust process for continued review of its base budgets including savings proposals, pressures, mitigations, monitoring etc. This will all lead into an improved MTFS that will contain full detailed savings proposals backed up by appropriate plans and working papers.</p> <p>As a consequence of this work and as part of the budget process a risk analysis will be completed to inform by how much the reserves should be built up over the coming 5 years. This will lead to an increase in the savings target to finance the</p>		An additional £1m per annum is planned to continuously increase reserves

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>necessary increase in reserves which will be formalised as noted during the budget process.</p> <p>£20m has been built into the capitalisation direction to provide the Council with a base level of reserves</p>		
		<ul style="list-style-type: none"> Reviewing its medium-term savings plans to ensure clear proposals are developed to achieve savings requirements in line with the MTFP and reserves strategy 	As above		Complete
		<ul style="list-style-type: none"> Ensuring agreed savings are owned across the Council by officers and lead members to ensure clear ownership and accountability for delivery 	<p>All departments have completed savings plans including equality impact assessments. These have been agreed by ED's, Members and other officers for 2022-23</p> <p>Embedding this improved process will take some considerable time</p>		Continue to work with Departments and embed the newly designed process On-going

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> Ensuring it puts in place a clear and transparent savings monitoring and reporting process, in order to ensure that council departments are held to account for delivery of required savings 	<p>This was completed to inform a fully engaged Scrutiny, stakeholder and Lead Members process during the 2022-23 budget process.</p> <p>The process for 2023-24 began during March 2022.</p>		<p>Continue to work with Departments and embed the newly designed process</p> <p>On-Going</p>
21	Financial governance. Monitoring and controls relating to group entities	The Council should review and implement effective financial governance and monitoring arrangements for its group relationships to mitigate exposure to additional financial risk.	The Council has begun reviews of its management of third-party organisations and will be implementing a series of changes which will include among other matters appointing appropriate Senior Responsible Officers to ensure that companies meet their objectives, put in place new arrangements for holding companies to account, reviewing how the companies meet the Council's objectives, a review of the work undertaken by the companies, developing	S Mair	<p>On Track</p> <p>Reports to Audit and Corporate Governance Committee, as required</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			a clear approach to testing value for money etc. This will include a clear separation of all financial transactions, a review of Council officers on all boards, a review of all financial performance information and actions for all boards and identification of any risks the Council is facing.		
22.	Addressing the S114 report	<p>The Council should put in place arrangements to address the issues raised by the S151 officer as set out in his section 114 report. In our view the Council should:</p> <ul style="list-style-type: none"> <li data-bbox="618 979 1117 1273">• Report progress against the action plan to full Council at every meeting <li data-bbox="618 1278 1117 1422">• Support the S151 officer's root and branch review of all aspects of the Council's finances 	<p>This has been done, and this report forms the latest version of this, with the exception of the budget Council and exceptional meetings of Council</p> <p>This work continues to expand as the magnitude of issues are</p>	S Mair	<p>Complete as evidenced by this FAP</p> <p>This is a continuous schedule of work</p> <p>This is a continuous schedule of work</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> Invest significant extra resource in finance capacity, internal audit and risk management to ensure robust processes are brought into place across all of the Council's financial and budget management arrangements to meet statutory financial obligations. 	<p>identified and is reported as above</p> <p>This has been done with the Council bringing in temporary skilled staff to identify and resolve current and historic issues, preparing a fit for purpose finance structure to take the Council forward on a permanent basis and continuing to develop and progress its reviews of the Council's finances</p>		<p style="background-color: yellow;">[Empty cell]</p> <p style="background-color: #90EE90;">The Council's permanent structure has been agreed and consulted upon and recruitment has begun.</p>
23	Complete	Complete	Complete	Complete	Complete

PROGRESS RESPONSE AND ASSESSMENT AGAINST DIRECTIONS (FINANCE ONLY)

APPENDIX 5

Item	Directions Action	Action Taken by Council	Officer Responsible	Status / Next Steps
1	<p>A suitable officer structure and scheme of delegation for the Authority which provides sufficient resources to deliver the Authority’s functions in an effective way, including the Improvement Plan and its monitoring and reporting, prioritising permanent recruitment and/or longer-term contract status of interim positions.</p>	<p>The consultation phase of the Finance and Commercial services restructure completed on 27 July. The recruitment phase has now begun and will take place during September and October with an expectation of new appointments being in place by 31 December 2022.</p> <p>Finance and Commercial business plan drafted in February 2022 ahead of requirements for service plans and Improvement plan. Departmental contribution to improvement plan in place and operating as required. Finance action plan updated monthly during 2022.</p> <p>Longer term contract status of key finance interims resolved and senior team in place since April 2022.</p> <p>Commercial team being brought back in-house as part of restructure with interim arrangements in place in the meantime.</p>	<p>Steven Mair</p>	<p>Ongoing</p> <p>G</p>
3	<p>Following the review by the Authority of their companies within six months consider the roles and case for continuing with each subsidiary company of the Authority (except Slough Children First).</p>	<p>The Council has 10 companies excluding Slough Children First which is not covered by this Direction. Four of these are actively trading and six were dormant. Of the six dormant companies all have now been closed down which has significantly simplified the Council’s corporate structure.</p> <p>The Council will seek to exit GRE5 when works to Nova House are completed – this is expected to be in FY 2024/25 although the exit route has not yet been defined, although a number of options are likely to be available if the works are completed.</p>	<p>Steven Mair</p>	<p>Ongoing</p> <p>A</p> <p>(The amber rating reflects the progress on the corporate elements of this matter)</p>

External options analysis has been undertaken for SUR and JEH. The DISH company is a lower risk and will be reviewed in the first quarter of 2023/24

Major progress has been seen in the following areas:

The Council has established a Corporate Oversight Board for **SUR** to strengthen governance and management arrangements, including oversight of a phased reduction in SUR's activities. New directors have also been appointed to oversee the changes and planned exit from SUR. Financial and performance reporting is regularised and now takes place on a quarterly basis

A way forward has been agreed for SUR and good progress is being made to progress with a number of key site disposals and a phased exit from the JV. This will result in a reduction in ongoing operating costs in FY 22/23 and 23/24 and a significantly reduced capital programme compared to original plans. Site disposals will generate cash receipts in FY22/23 (NWQ) and FY 23/24 (Montem) – other site disposals may take place in FY23/24. JV exit is scheduled for completion by early FY 24/25.

Good progress has been made on the only ongoing SUR development project; the Old Library Site (OLS). Following the successful approval of First Homes Funding from Homes England in FY 22/23, apartment sales have accelerated and the Council's loan facility to the OLS is reducing significantly. Less than 10 apartments remain unsold which significantly reduces the risk of loan default and has a positive impact on the Council's cash position.

Significant progress has been made to **GRE5**'s financial planning and reporting, oversight and critical governance arrangements including the appointment of new directors, the establishment of a new corporate oversight group and strengthened risk management. The Council's loan to GRE5 has now been fully executed following a financial review in FY 21/22 which identified that the Council's loans had not been approved in line with its Investment Strategy and was not implemented appropriately. Whilst building work is underway on Nova House, a number of additional structural issues have been identified which have had an impact on the ACM works and the resolution of the legal claim. An updated project and finance plan will be produced in Autumn 2022.

A **JEH** options appraisal has recommended a phased exit including the transfer of some assets to the Council. The report identified a series of additional workstreams which are inquired to inform the development of the detailed exit plan. The exit plan is scheduled for agreement by 31/3/23.

New Directors have been appointed for JEH in FY22/23 and monthly Board meetings have been reinstated from January 22. Board reporting including financial, performance and risk reporting has been redesigned to improve management and board effectiveness. A new SLA between the Council and JEH has been produced and approved in FY 22/23 and further improvements will continue to be made.

DISH was established in 1988 and has a lease with the Council for 54 properties; with the majority of tenants

classed as long term tenants. DISH is considered to be a lower risk compared to other companies and an options review and exit strategy is scheduled to be complete by 30/6/23.

In October to December 2021, all Directors were replaced for JEH and GRE5. New Director role profiles were developed and standardised for both companies based upon an assessment of the specific requirements for each company. Internal appointments were made for JEH however due to the complexity and specific requirements of GRE5, external appointments were made. As an LLP, SUR has “representatives” and does not have “directors”. All SUR representatives were reviewed and replaced in Autumn 2022 following a consideration of the specific requirements to implement the exit strategy and associated disposals programme.

All new directors were provided with induction training, including detailed briefing sessions on company matters, governance and other related matters. Formal contracts and terms of reference are in place for the appointments and each Director will be subject to an annual appraisal. Future training requirements will be monitored as the directors continue in role and the future direction and exit strategy evolves.

In FY 2022/23 and 2023/24 work will continue to focus on addressing internal and external audit recommendations, exploring further opportunities for asset disposals and finalising exit plans for all companies.

4	In the first three months undertake an assessment of the functional capability of all service areas identifying the gaps in capacity and capability	<p>Functional Capability Assessments for Finance and Commercial were completed by the target date and submitted to Commissioners at the end of Feb 2022. These were supported by a detailed Business Plan for the Department.</p> <p>Since the approval of the Corporate Plan in May 2022 these documents have now been replaced by the new Corporate and Service Planning process. All Finance and Commercial service plans have been submitted in line with the COO's required timetable.</p>	Steven Mair	<p>Complete</p> <p>G</p>
5	...and within the first six months prepare and agree action plans to the satisfaction of the Commissioners.	The Finance Action Plan has been in place since late 2021. The latest template has been reported to Cabinet since May 2022 and has been subject to various refinements at the request of Commissioners.	Steven Mair	<p>Complete</p> <p>G</p>
6	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)	<p>A comprehensive action plan was submitted as part of the capitalisation direction submission including options to close the long-term budget gap over the period of the MTFS up to 2028/29. This recognised the need for significant culture change and discipline if the plans were to be achieved.</p> <p>This is underpinned in the first instance by the budget for 2022-23 completed, submitted and approved by Council on 10 March 2022 underpinned by a comprehensive capitalisation direction bid to DLUHC. This set out the plans for achieving financial sustainability which are reflected in the outline Finance action plan submitted to Council each meeting (except budget ones). It was always envisaged that this would take at least 4 years to begin an adequate turnaround given the extent of the financial problems uncovered.</p>	Steven Mair	<p>Ongoing</p> <p>A</p>

		<p>The longer-term closure of the budget gap consists of the following outline plans all of which are well progressed:</p> <ul style="list-style-type: none">➤ agreement of a capitalisation direction with DLUHC, initially £307m for the period to 31/3/23. Also modelled through to 2027/28 and beyond - Agreed➤ sale of between £400m and up to £600m of assets, as agreed by Council in September 2021. Report from AY received – work also being actioned outside of this through finance, companies work, accounts completion. See report for revised estimates➤ annual recurrent additional revenue savings of £20m per annum up to and including 2027/28. This has been completed in design for 2022/23 and is largely complete for 2023/24 and is now updated and reduced as shown in the body of the report. See report for revised estimates➤ completion of annual accounts up to 31/3/22 by the 31/3/23 and regularly thereafter. Good progress being made with 2018/19 now complete. This is seen as the basis for the following years.➤ a complete restructure of the finance service producing a fit for purpose structure and resources set aside to finance the gaps in the corporate core of the Council. Done – currently out to internal advert		
--	--	--	--	--

		<ul style="list-style-type: none"> ➤ a wide range of financial management improvements as reported separately in each financial action plan.. 		
7	<p>In the first three months prepare and agree an Improvement Plan to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), with, resource allocated accordingly, and as a minimum, the following components...</p> <p>...An action plan to achieve improvements in relation to the proper functioning of democratic services, to include rapid training for council officers, a revised term of reference for the Audit and Corporate Governance Committee, and the agreement of an Annual Governance Statement for 2020-21."</p>	<p>Training programme identified for Members is developed and being rolled out.</p> <p>Revised Terms of Reference for Audit and Corporate Governance Committee approved at a special meeting on 19 January 2022. Training given to new Committee members in July 2022.</p> <p>Annual Governance Statement for 2020-21 has been drafted and discussed with CLT in May 2022. Feedback has been received and an updated version drafted to reflect comments from CLT. Once the 2020/21 accounts are completed this will then be included in those statements and shared with Commissioners and Members.</p> <p>Addenda to the 2018-19, 2019-20 and 2020/21 annual governance statements have also been drafted to reflect the position at the time they will be approved by Committee. The 2018/19 statement is included in the revised set of statements currently being audited.</p>	Steven Mair	<p>Ongoing</p> <p>G</p>
8	<p>...An action plan to achieve improvements in relation to the proper functioning of the scrutiny function, to include a review of the</p>	<p>Strategic Risk Register reviewed and updated in November 2021. Refinement has taken place during 2022 in response to the CIPFA Report and an internal audit report. The latter is scheduled to be followed up in</p>	Steven Mair	<p>Ongoing</p> <p>G</p>

	<p>Authority's strategic risk register to make it fit for purpose.</p>	<p>September 2022 and is expected to show significant progress.</p> <p>Revised structure of strategic risk register first reported to Audit and Corporate Governance Committee on 9 March 2022.</p> <p>New Risk Strategy developed and approved by CLT, Cabinet and Audit and Corporate Governance Committee during June and July 2022.</p> <p>Risk strategy paper presented alongside Risk Management strategy outlines the future developments expected during 2022/23 including improvements to risk culture, risk reporting, assurance programme, software solution and linkages with Departmental Risk Registers. Engagement with CLT on detailed risks began in July 2022 and has defined to the tone from the top which is crucial to the development and importance of the Corporate Risk Register.</p>		
9	<p>...An action plan to achieve improvements in relation to the proper functioning of internal audit, which addresses outstanding management actions and includes the commissioning of an independent review of the internal audit contract and a fully costed plan for establishing an internal audit function that reflects best practice.</p>	<p>Internal audit action plan submitted alongside functional capability assessment.</p> <p>Options report discussed and agreed by December 2021 Audit and Corporate Governance and approved at 1 March 2022 meeting. Report approved by Cabinet on 9 March 2022 to extend current IA contract for one year and new contract sealed in April 2022.</p> <p>Plans included within Finance and Commercial Services Restructure timeline to be completed by October 2022. Job descriptions completed and have been evaluated by</p>	Steven Mair	<p>Ongoing</p> <p>G</p>

		Southeast Employers Organisation and discussed with Trade Unions as part of the Finance and Commercial Services restructure. Recruitment to an in-house team beginning in September 2022.		
10	...An action plan to achieve improvements in relation to the proper functioning of the procurement and contract management function, which includes an independent review.	<p>Action plan completed.</p> <p>Procurement and contract management action plan submitted alongside functional capability assessment. A Commercial improvement plan has been developed to implement and monitor service developments.</p> <p>New contract register has been developed and is being actively used to plan procurement activity and identify opportunities for savings.</p> <p>Commercial Services permanent restructure is tied in with the Finance and Commercial Services Department plans for completion by October 2022. Job descriptions have been drafted and submitted as part of the evaluation process noted in 8 above.</p> <p>Independent review carried out by an LGA Procurement specialist in February 2022.</p> <p>An interim solution has been procured to enable access to specialist advice and expertise. Approach shared with the Lead Finance Commissioner and tendered in April 2022.</p> <p>Plans on track to deliver the proper functioning of the procurement and contract management function.</p>	Steven Mair	Ongoing G

Capitalisation Direction Changes

Appendix 6

Capitalisation Direction - Original Basis

Heading	Pre-2019/20 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 to 2047/48	Total
Roll forward of budget pressures	-	-	-	-	1,000	84,055	78,490	67,130	61,735	62,563	47,103	-	402,076
Forecast Outturn Position	-	2,950	6,942	1,000	-	-	-	-	-	-	-	-	10,892
Emerging Pressures, Contingencies, and Provisions	-	22,000	-	23,188	31,755	(585)	300	3,000	9,000	(1,000)	4,000	-	91,658
Additional Growth for new years of MTFS	-	-	-	1,065	1,065	3,000	11,100	11,100	11,100	11,100	11,100	-	60,630
Original Capitalisation Direction	-	-	-	12,200	3,000	(3,000)	-	-	-	-	-	-	12,200
Opening MTFS Gap - March 2021	-	-	-	-	17,958	9,298	-	-	-	-	-	-	27,256
Increase Reserve Levels	-	-	-	20,000	1,000	-	-	-	-	-	-	-	21,000
Companies	-	500	300	17,500	2,300	(1,800)	-	(500)	-	-	-	-	18,300
Additional Capitalisation	-	-	-	-	-	-	-	-	-	-	-	-	-
Incorrect capitalisation of staff costs	28,838	9,360	5,104	2,086	2,450	-	-	-	-	-	-	-	47,838
Minimum Revenue Provision (MRP)	32,871	5,348	13,586	18,226	28,985	2,022	(1,414)	(5,498)	(8,843)	(9,507)	703	-	76,479
Fund Redundancy Costs for 2 years	-	-	-	-	7,500	-	(7,500)	-	-	-	-	-	-
MRP on the capitalisation funding	-	-	-	-	-	300	954	1,303	4,371	(1,253)	114	109,476	115,265
Council Tax	-	-	-	-	-	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	-	(10,800)
Capitalisation Funding	-	-	-	-	5,000	7,000	7,000	7,000	7,000	7,000	1,167	-	41,167
Savings Target	-	-	-	-	(17,958)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(14,167)	-	(132,125)
TOTAL CD REQUEST	61,709	40,158	25,932	95,265	84,055	78,490	67,130	61,735	62,563	47,103	48,220	109,476	781,836

Capitalisation Direction - Revised Projection August 2022

Heading	Pre- 2019/20 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 to 2047/48	Total
Roll forward of budget pressures	-	-	-	-	-	58,578	37,036	26,089	20,163	13,584	8,613		164,063
Forecast Outturn Position	-	2,950	6,942	-	-	-	-	-	-	-	-		9,892
Emerging Pressures, Contingencies, and Provisions	6,301	18,291	-	19,288	21,324	8,042	8,572	(166)	6,742	(4,399)	335		84,330
Additional Growth for new years of MTFS	-	-	-	1,065	-	-	7,712	11,100	11,100	11,100	11,100		53,177
Original Capitalisation Direction	-	-	-	12,200	-	-	-	-	-	-	-		12,200
Opening MTFS Gap - March 2021	-	-	-	-	17,958	-	-	-	-	-	-		17,958
Increase Reserve Levels	-	-	-	20,000	1,000	-	-	-	-	-	-		21,000
Companies	-	500	300	15,632	8,046	(1,254)	(730)	(925)	(1,013)	4,580	(5,000)		20,136
Additional Capitalisation	-	-	-	-	-	-	-	-	-	-	-		-
Incorrect capitalisation of staff costs	25,294	10,241	5,104	2,086	2,450	-	-	-	-	-	-		45,175
Minimum Revenue Provision (MRP)	32,871	5,348	9,448	10,645	18,258	(2,930)	(2,901)	265	(7,209)	49	749		64,593
Fund Redundancy Costs for 2 years	-	-	-	-	7,500	-	(7,500)	-	-	-	-		-
MRP on the capitalisation funding	-	-	-	-	-	-	-	-	-	-	-		-
Council Tax	-	-	-	-	-	(2,400)	(2,100)	(2,200)	(2,200)	(2,300)	(2,400)		(13,600)
Capitalisation Funding	-	-	-	-	-	-	-	-	-	-	-		-
Savings Target	-	-	-	-	(17,958)	(23,000)	(14,000)	(14,000)	(14,000)	(14,000)	(13,397)		(110,355)
TOTAL CD REQUEST	64,466	37,330	21,794	80,916	58,578	37,036	26,089	20,163	13,584	8,613	-	-	368,569

Capitalisation Direction - Change

Heading	Pre- 2019/20 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 to 2047/48	Total
Roll forward of budget pressures	-	-	-	-	-	-	-	-	-	-	-	-	-
Forecast Outturn Position	-	-	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	-	(8,000)
Emerging Pressures, Contingencies, and Provisions	6,301	(3,709)	-	(3,900)	(10,431)	(1,804)	6,468	3,302	1,045	(2,355)	(6,020)	-	(11,103)
Additional Growth for new years of MTFS	-	-	-	-	(1,065)	(4,065)	(7,453)	(7,453)	(7,453)	(7,453)	(7,453)	-	(42,395)
Original Capitalisation Direction	-	-	-	-	(3,000)	-	-	-	-	-	-	-	(3,000)
Opening MTFS Gap - March 2021	-	-	-	-	-	(9,298)	(9,298)	(9,298)	(9,298)	(9,298)	(9,298)	-	(55,788)
Increase Reserve Levels	-	-	-	-	-	-	-	-	-	-	-	-	-
Companies	-	-	-	(1,868)	5,746	6,292	5,562	5,137	4,124	8,704	3,704	-	37,401
Additional Capitalisation	-	-	-	-	-	-	-	-	-	-	-	-	-
Incorrect capitalisation of staff costs	(3,544)	881	-	-	-	-	-	-	-	-	-	-	(2,663)
Minimum Revenue Provision (MRP)	-	-	(4,138)	(7,581)	(10,727)	(15,679)	(17,166)	(11,403)	(9,769)	(213)	(167)	-	(76,843)
Fund Redundancy Costs for 2 years	-	-	-	-	-	-	-	-	-	-	-	-	-
MRP on the capitalisation funding	-	-	-	-	-	(300)	(1,254)	(2,557)	(6,928)	(5,675)	(5,789)	(109,476)	(131,979)
Council Tax	-	-	-	-	-	(600)	(900)	(1,300)	(1,700)	(2,200)	(2,800)	-	(9,500)
Capitalisation Funding	-	-	-	-	(5,000)	(12,000)	(19,000)	(26,000)	(33,000)	(40,000)	(41,167)	-	(176,167)
Savings Target	-	-	-	-	-	(3,000)	3,000	9,000	15,000	21,000	21,770	-	66,770
TOTAL CD REQUEST	2,757	(2,828)	(4,138)	(14,349)	(25,477)	(41,454)	(41,041)	(41,572)	(48,979)	(38,490)	(48,220)	(109,476)	(413,267)

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee

DATE: 13 October 2022

SUBJECT: Financial Update Report – 2022/23

CHIEF OFFICER: Steven Mair, Executive Director Finance and Commercial (Section 151 Officer)

WARD(S): ALL

EXEMPT: No

APPENDICES:

Ai – General Fund Forecast
 Aii – General Fund Year to Date
 Bi – Savings Programme by Executive Directorate
 Bii – Savings Programme by Portfolio
 Ci – General Fund Capital Programme Monitor
 Cii – HRA Capital Programme Monitor
 D – blank
 E – HRA Forecast
 F – School Balances
 Gi – Capital slippage 2021/22 to 2022/23 – General Fund
 Gii – Capital slippage 2022/23 to 2023/24 – General Fund
 Hi – Capital slippage 2021/22 to 2022/23 – HRA
 Hii – Capital slippage 2022/23 to 2023/24 – HRA
 I – Virements
 J – Adults savings recast

1 Summary and Recommendations

1.1 This report gives the Overview & Scrutiny Committee an opportunity to review the Council's current financial position. It sets out:

- the forecast monitoring position as at month 4 2022/23, covering revenue (including DSG and schools, Treasury Management (including asset sales) and Pensions) and capital for both the General Fund and the HRA (Sections 2 to 13)
- risks, mitigations and caveats/requirements associated with the information

1.2 In respect of the above it should be noted that:

1.2.1 The Council's forecast revenue and capital outturn positions for 2022/23 as at period 4 (P4, 31 July 2022) are noted along with a number of risks associated with this and how these have been mitigated to deliver a balanced forecast at this stage in the year. This is subject to delivery of all savings by all Executive Directors, assumed asset sales and closed and audited accounts for all years.

- 1.2.2 The projected forecast, variances and service level budgets are ongoing work in progress and reflect the work and investigations able to be undertaken up to this point in time. There will be substantial further work and cleansing required in order to get the budgets at a service level to the standard normally expected, this is necessitated because of the inherited inaccuracies such as under or overstated budgets on grants, rental income and expenditure and recharges to capital or the HRA. Corrections have been factored into the Capitalisation Direction (CD) adjustments in the 2022/23 budgets to support the Council with historical budgeting issues, but these will need to be refined to ensure the budget goes precisely where needed. This review and refinement work will be ongoing through the autumn.

Overall Capitalisation Direction

- 1.2.3 A key element of the Council's financial recovery plan set out in September 2021, the Council's Treasury Management Strategy (TMS) approved in March 2022 and the SUR disposals strategy approved in July 2022 is to reduce the Council's historic over-reliance on temporary borrowing in order to reduce interest rate risk and to reduce the annual level of Minimum Revenue Provision (MRP) charges. The debt reduction strategy is predicated on a programme of generating capital receipts which can then be applied to repay temporary borrowing and reduce the Council's Capital Financing Requirement (CFR), which determines the amount of MRP payable. The disposals profiling is based on a set of assumptions regarding:
- the assets potentially surplus to requirements,
 - the timing and value of these, and
 - progress along a pipeline of work required to get them ready for disposal.
- 1.2.4 The list and profiling is reviewed and updated on a regular basis based on:
- progress,
 - potential issues that could delay, and
 - governance requirements.
- 1.2.5 Progress in 2022/23 is principally arising from the work on the accounts identifying accessible receipts, the review of the companies including SUR and the disposal of assets. Currently the benefits of this work combined with the output of elements of the Council's financial recovery strategy which was to:
- address the identified problem, this began in July 2021
 - sell assets to reduce borrowings and thus reduce MRP/interest costs and finance the CD – agreed September 2021
 - reduce net revenue expenditure – ongoing since July 2021
 - produce and have audited high quality accounts – ongoing since July 2021

This means that at the moment the outturn for 2022/23 is forecasting a reduction in the budget and the 2022/23 CD of £25.5m. Clearly as with all estimates this is subject to change and will be kept under review during the year but represents the start of the Council seeing the benefits of the financial recovery strategy it agreed in 2021

Recommendations:

The Committee is requested to scrutinise the forecast financial monitoring position as at month 4 2022/23, covering revenue (including DSG and schools, Treasury Management (including asset sales) and Pensions) and capital for both the General Fund and the HRA (Sections 2 to 13). This report was considered by Cabinet on 19th September 2022.

1.3 The Cabinet approved:

- The virements between directorates and from budgeted Capitalisation Direction as set out in Appendix I and which have been applied in the presentation of 2022/23 budgets throughout the report.
- That approval to virements within a given directorate that do not affect the overall net budget for the directorate (“net-nil”) is delegated to the Executive Director and the S151 Officer
- The capital slippage from 2021/22 into 2022/23 for the General Fund (£1.959m) and the HRA (£3.983m)
- The removal of the £2.085m IT infrastructure refresh capital budget on the basis that it is already correctly included in the revenue budget.
- The capital slippage from 2022/23 into 2023/24 for the General Fund (£16.497m) and the HRA (£15.374m)

1.4 The Cabinet noted.

- that there are a number of continuing pressures arising in the 2021/22 outturn which continue into 2022/23 but have been addressed as planned through the 2022/23 Capitalisation Direction
- that the 2022/23 forecast year-end position for the General Fund, taking account of use of all capitalisation direction amendments, is a fully balanced position. However, within this, there is an overspend of £7.616m across service areas, including a shortfall on in-year savings of £4.439m against the total target of £19.958m, and including the loss set out in the latest SCF business plan. This is then balanced through an improvement in the collection fund position, the application of settlement monies received, the impact of capital receipts on MRP and a reduction in the use of capitalisation
- that additional provision of £4.4m has been made for cost of living/inflation impacts above what was originally allowed for in the 2022/23 budget
- that the DSG balance is forecast to be a cumulative deficit of £28.863m by the end of this financial year with plans to reduce this to a balanced in-year position by 2025/26
- that maintained schools are projecting a reduction in balances by 31 March 2023 from £9.555m to £5.465m, with 4 out of 16 schools expecting to be in deficit with an aggregate deficit of £0.647m
- that the HRA is forecasting an improved position against 2022/23 revenue budget of £8.811m, with a contribution to the HRA reserve projected of £0.577m
- that the revenue budgets as presented in this report assume that the virements as set out in Appendix I have been approved.

- that the capital budgets as presented in this report assume that the slippage put forward for both the General Fund and the HRA has been approved.
- that the capital programme budget for the General Fund for 2022/23 is proposed to reduce from £45.259m to £28.655m through slippage of underspends from 2021/22 and reprofiling of project budgets into future years, and that an overspend of £0.069m is currently forecast.
- that the capital programme budget for the HRA for 2022/23 is proposed to reduce from £22.111m to £13.185m through slippage of underspends from 2021/22 and reprofiling of project budgets into future years, and that the forecast as at P4 is balanced.

Reason

- 1.5 In July 2021, the Council's Section 151 officer highlighted that projected in-year overspending coupled with the correction of various historical issues was expected to significantly exceed levels of available reserves even after allowing for the 'minded to' Capitalisation Direction of £12.2m used in the Council's budget report.
- 1.6 Since then the Council has had discussions with the Department for Levelling Up, Homes and Communities (DLUHC) about its financial position. To reduce the burden of borrowing costs on revenue budgets, the Council has scaled back its capital investment plans significantly from where they once were.
- 1.7 When the Council's budget was set in March 2022, the Council's net reserves position at 31 March 2023 was originally estimated to be c£307m in deficit, and DLUHC indicated a 'minded to' approval for this sum to be subject to a capitalisation direction, (£84m of this sum related to 2022/23), to enable the Council to manage its revenue position. However, this was heavily dependent on the Council delivering its annual asset sales and revenue savings target. It is imperative that the Council manages both revenue and capital spending within approved budget limits, and all members, corporate directors and responsible officers are taking responsibility for managing services within these constraints.
- 1.8 There are significant uncertainties connected with the current geo-political and economic landscape from which pressures which may come to bear on both the council and local residents and business, such as significant rises in inflation, interest rates, changes in availability of supplies and services and supplier resilience among other issues, and how this impacts demand from individuals and businesses both on council services as well as fees and charges.
- 1.9 Given the magnitude and complexities of the Council's financial position the position is kept under continuous review across revenue, capital, asset sales, savings, DSG, accounts and all other matters. Inevitably the situation will change and so this will be tracked and managed to ensure the Council remains within the original estimates and the position improves.

Commissioner review

- 1.10 *“This report sets out the forecast position for the current year which indicates a balanced position on the general fund. It is also likely that the original requirement of £84m of capitalisation direction for the year will be reduced given adjustments to the prior year position. However, within these figures, it is clear that there is a shortfall against the savings targets within the directorates of £4.439m in total, against a savings target of £19.958m, a shortfall of 22%. Whilst this shortfall was known early in the year, the only action identified to reduce the position has been to introduce charging for green waste (amounting to some £0.180m in the current year), despite this issue being highlighted on many occasions through the Finance Board.*

This shortfall has been funded by increased corporate savings and adjustments (including a reduced requirement for MRP arising from prior year capital receipts reducing the Capital Financing Requirement).

The council though remains in a very serious financial position with the medium term financial strategy requiring not only significant asset disposals to fund the capitalisation directions, but also substantial year on year savings to reset its base budget to its income streams. It is therefore very disappointing to see the level of non-delivery in savings target in the current year. It is imperative that the Council improves its financial management including identification of savings at an early stage to allow sufficient time for the construction of delivery plans, and then close monitoring to ensure savings are achieved.

The Commissioners therefore expect to see a robust Scrutiny process for the 2023/24 budget with detailed examination of the savings plans and confirmation from each Executive Directors and Cabinet Member that savings plans are in place and regular monitoring and reporting will be instigated.”

2 Indicative Outturn 2021/22 and consequence for 2022/23

- 2.1 The table below shows a draft summary outturn position for 2021/22 before funding and capitalisation is applied. As noted in Section 1.2 above, this is subject to change from adjustments under consideration which affect the outturn by directorate and changes to prior years accounts yet to be formally closed may also impact. The table below presents a draft net overspend against budget of £7.846m before funding. This position was anticipated and allowed for in the preparation of the capitalisation direction in 2021/22, through the creation of a number of allowances for emerging pressures. Some of these variances are one-off in nature, while some are ongoing and are anticipated to impact on 2022/23 and which need to be addressed in order to avoid future pressures on the budget. An assessment of the split of variances between these two categories is set out below:

Table 1 – Draft Outturn 2021/22 – ongoing/one-off variance analysis

Variance to Budget Ongoing vs One-off	Total £'000	Adults £'000	Children £'000	Place £'000	Resources £'000	Corporate Budgets £'000
Ongoing	13,455	1,584	429	4,719	3,734	2,989
One-off	(5,610)	(1,084)	1,842	(1,668)	3,332	(8,032)
Total	7,846	500	2,271	3,052	7,066	(5,043)

- 2.2 As can be seen from the table above, nearly £13.5m of expenditure in excess of the budget is anticipated to continue into 2022/23 and needs to be funded on an ongoing basis. The CD set out a number of adjustments which are planned to be applied in order to resolve the above issues on a permanent basis. These are as set out below in Table 2. Most of these balances have already been applied to service budgets for 2022/23, but may require refinement and reallocation between service areas in order for the budget support to be applied to the correct areas, hence further virements will be required.

Table 2 – Use of CD in 22/23 to address issues brought forward from 21/22

Capitalisation Direction Use in 2022/23	Total £'000
Historical budget pressures	6,654
Staffing incorrectly capitalised	1,450
Borrowing pressures	2,100
Interest rate pressures	2,000
Resilience monies – back-office functions	1,251
Total	13,455

- 2.3 The resilience monies noted above are part of a £6.1m total balance in 2022/23. This reflects that some of the continuing cost of providing resilience commenced in 2021/22. As will be seen later in the report, it has been anticipated that there will be further issues to be addressed during 2022/23 and for which the Capitalisation Direction has been tailored.
- 2.4 In summary, the submitted Capitalisation Direction made accurate estimates to address the issues emerging in the 2021/22 outturn and on an ongoing permanent basis into 2022/23.

3 Forecast outturn – P4 2022/23

3.1 General Fund (GF) Forecast Outturn

- 3.1.1 In March 2022, the Council approved the GF revenue budget for 2022/23. A balanced budget was approved by members, based on:

- delivery of in-year savings totalling £19.958m
- utilisation for revenue purposes of a Capitalisation Direction of £84.055m in order to deliver a balanced budget
- a number of Capitalisation Direction adjustments within the above £84.055m to address issues that may arise in the course of the year or to address historical issues which are carried into the year from 2021/22 and earlier.

- 3.1.2 The forecast GF position as at the end of July 2022 (P4) is a balanced budget. This is comprised of a £7.6m overspend on service area budgets, an allowance for additional cost of living/inflation costs and savings pressures of £4.4m, offset by an improved collection fund position of £2.5m, the impact of £5.6m of 2022/23

increased settlement funding, a reduction in the projected MRP requirement of £10.7m, the rephasing of an impairment against a subsidiary company loan of £1.8m, and a £16.9m reduction in the anticipated requirement for other capitalisation adjustments (to cover emerging pressures such as growth, underlying budget pressures from previous year, service resilience, SCF losses and other additional capitalisation). This consequently leads to a reduction in the overall projected call on capitalisation direction of £25.5m in 2022/23 to £58.6m.

- 3.1.3 Some key points to note from the service forecast are that the additional cost in light of rising energy prices has been set at £1.0m for the general fund (a further £0.9m for the HRA and £1.159m for PFI schools); the savings shortfall is currently projected at £2.1m on council service areas; the impact arising from the SCF company is set as £5.4m based on the latest business case projection and increased contract cost back to SBC; meanwhile there are net underspends across other service areas of approximately £0.9m partially mitigating the above.
- 3.1.4 The table below sets out a summary of the variances by directorate and key budget lines. Commentary can be found in section 4. In addition to the above variance there are risks of £0.707m and opportunities of £1.171m which may arise subject to certain decisions or actions but have not yet been integrated into the core forecast.
- 3.1.5 The reported variances are subject to change as more information comes to light through the progress on closing the prior year accounts, and the ongoing review, scrutiny and challenge of all budgets and spend. The budgets below reflect a small number of virements made since the budget was set in March. For further details please see Appendix I.

Table 3 – General Fund Revenue Forecast P4 2022/23

	Current Budget	Forecast Outturn	Full Year Variance	Risks	Opps
Directorate	£'000	£'000	£'000	£'000	£'000
People (Adults)	28,441	28,441	-	-	-
People (Children) excl. SCF	7,754	8,031	277	-	-
Slough Children First Contract	31,435	36,875	5,440	250	(941)
Place & Community	11,515	14,530	3,015	457	(230)
Chief Operating Officer	20,286	19,684	(1,069)	-	-
Finance & Commercial	8,787	8,739	(48)	-	-
Service Total	108,218	115,833	7,616	707	(1,171)
Corporate Budgets	83,434	52,841	(30,593)	-	-
Expenditure Total	191,652	168,674	(22,977)	707	(1,171)
Council Tax	(65,102)	(65,102)	-	-	-
Business Rates – Local Share	(37,326)	(37,326)	-	-	-
Collection Fund Deficit	8,151	5,651	(2,500)	-	-
Revenue Support Grant	(6,451)	(6,451)	-	-	-
Other Grants	(6,868)	(6,868)	-	-	-
Funding Total	(107,597)	(110,097)	(2,500)	-	-
Capitalisation Direction	(84,055)	(58,578)	25,477	-	-
Total	(191,652)	(168,674)	22,977		
Balanced budget position	-	-	-		

Table 4 - General Fund Revenue - P4 2022/23 year to date position

	Budget Year to Date	Actual Year to Date	Variance
Directorate	£'000	£'000	£'000
People (Adults)	9,480	14,722	5,242
People (Children) excl. SCF	2,585	424	(2,161)
Slough Children First Contract	10,478	11,477	999
Place & Community	3,782	2,190	(1,591)
COO	6,827	6,689	(138)
Finance & Commercial	2,864	19,823	16,960
Service Total	36,017	55,325	19,311

3.1.7 The year to date position as set out above shows the actuals recorded in the general ledger against budget for the first four months of the year. A significant number of accounting adjustments have yet to be undertaken (e.g. internal recharges, accruals, drawing down of grants from the balance sheet, or the budget profile not matching actuals) and so the figures do not yet reflect underlying performance. A review has been undertaken however to assess for any underlying issues which impact the outturn and have not been raised in the forecast. Commentary on this position is included in section 4 below against each directorate, with further detail at a service level in Appendix Aii.

4 Forecast Outturn 2022/23 – Service commentary

4.1 People (Adults)

4.1.1 The Adults directorate is forecasting at P4 to be in line with the budget of £28.441m at the year end. This assumes that all savings will be delivered on time and to scale, and that pressures brought into the year from 2021/22 will be managed and mitigated through application of the Capitalisation Direction.

4.1.2 At a service level, there are underspends being reported in Commissioning (£0.567m), Community Team for People with Learning Disabilities (CTPLD) (£0.456m), Reablement, Rehabilitation and Recovery (RRR) & Long Term Occupational Therapy (OTs) (0.293m) and the Safeguarding Partnership Team (£0.129m). These are offset by overspends in Localities Social Work (£0.935m) and Mental Health (£0.509m).

4.1.3 In Commissioning, the underspend of £0.567m is mainly due to staff underspends arising from vacancies. Any plans to recruit into the posts will affect future projections and need to be closely monitored.

4.1.4 CTPLD is forecasting a £0.456m underspend, of which £0.270m is staff related, again primarily due to vacancies. Despite a reduction in client activity projections for the period, there is underlying risk of transitions activity (young people needing care support transferring to adult care) exceeding the provision in the budgets. Further analysis will be undertaken to understand the extent any recent reductions have been a result of management action or ordinary attrition within the cohort. Any opportunities for joint funding, in line with the Transformation programme will also

be explored. This service represents a significant portion of the Adults' budget and any significant change in activity would have a detrimental effect on the Directorate's outturn. Focus will be placed on understanding the underlying activity and trends to monitor this.

- 4.1.5 RRR and Long Term OTs (£0.293m underspend) is funded from the Better Care Fund and any underutilisation of the fund will be managed as part of the wider Adults budget management. The Safeguarding Partnership Team underspend of £0.129m is projected primarily due to staff vacancies.
- 4.1.6 Public Health expenditure is from a ringfenced grant and is projecting a balanced budget. An exercise has been undertaken to reconfirm that the share of spend on PH outcomes outside of the immediate PH function is aligned and in accordance with conditions. No issues have been identified in this regard.
- 4.1.7 The year to date expenditure compared against budget shows an overspend of £5.473m, however there are material adjustments for income that are yet to be processed which will more accurately align with the outturn forecast. These include £3.807m for BCF funding, £1.085m for Government grants (including Adults Social Care Grant, ILF), £0.333m relating to other income, and £77k for the capitalisation of equipment cost. The remaining £0.171m relates to other minor profile adjustments to better align spend with the budgets.
- 4.1.8 The directorate has an in-year savings target of **£5.9m** already allocated to the budget. The Adult Social Care Transformation programme is to deliver **£4.771m** of 2022/23 savings target. The remaining **£1.129m** of the savings was to be delivered outside the Transformation programme. Adults are currently projecting that their savings will all be on target in total. The composition of the savings however has changed since the original budget was approved in March 2022. Appendix J sets out the original and revised savings profile with changes in the values achievable by each proposal along with an indication of the proposals which have been rescoped and combined into the new profile.

4.2 People (Children)

- 4.2.1 The People (Children) directorate is forecasting an overspend position for 2022/23 of £0.277m, excluding the impact from the contract with Slough Children First which is referenced further below. This variance is driven by a projected shortfall in the delivery against the savings target of £1.109m. It is assumed that any overspends arising in 2021/22 of an ongoing nature have been addressed through the application of capitalisation direction.
- 4.2.2 In terms of the 2022/23 savings, the target of £1.109m is expected to fall short by £0.277m. This is caused by a delay on the project to reshape the Council's children's centres provision which is yet to be presented to Cabinet and will need to undergo a statutory consultation process. The project outcomes are to reach a broader client group and to look at opportunities for alternative use of some of the buildings to support early years provision. Out of the saving of £0.456m set out in Appendix B, the remaining £0.179m has already been delivered through actions in the prior year. All other savings are currently expected to deliver to budget.

- 4.2.3 There is a potential risk to the forecast outcome in respect of home to school transport and the impact of the higher fuel prices and general inflation. Some of the service is subject to reprocurement or extension of contracts which take effect from the autumn term and hence may be subject to price increases. An estimated £200k has been reflected in risks therefore, although this is purely an estimate needing subsequent review and revision and is not based on concrete data or calculations.
- 4.2.4 The year to date position as set out reflects an underspend of £2.161m which is expected to reverse in due course. For the Management division, payments for the Regional Adoption Agency are made quarterly in advance; in Schools Services, there are payments of some £0.800m due to transport providers which remain uninvoiced and for which the prior year accruals have reversed; grants anticipated to be paid to third parties for Early Help (£0.923m) and Inclusion (£0.250m) are yet to be called on; and outstanding recharges for Education Standards Service will be actioned later in the year (£0.141m).
- 4.2.5 Commentary on the Dedicated Schools Grant can be found later on in this report in section 11. Section 12 then has an update on maintained schools' balances and schools in deficit.

4.3 Slough Children First Contract

- 4.3.1 The core contract between the Council and the company is budgeted at £31.435m for the year. The company is forecasting a loss of £5.175m in 2022/23, based on the latest (July) version of their business plan which is yet to be approved. This business plan also reflects income on the core contract of £31.700m which is £0.265m higher than budget and hence an increased cost is implied for the Council. Together, this means that the cost to the council from both the increased contract cost plus company losses is an adverse £5.440m. This assumes a spend to save investment ask of circa £1.4m, aimed at reducing future years' costs in Early Years and Prevention, is approved. The council is currently minded to approve a request of £0.343m which when added to the underlying forecast would result in a loss of £4.233m. This potential change is reflected as an opportunity of £0.941m.
- 4.3.2 The company budget incorporated a net reduction of £2.673m in the income anticipated from the Council under the contract. It also had to fund £2.052m of growth within the contract price so had to deliver £4.725m of gross savings. The company is currently not anticipating delivering all of its savings and is experiencing growth in caseloads that had not been anticipated, both contributing to the overspend. The business case also includes additional investment of £1.424m which forms part of the £5.175m loss that is intended to reduce costs in future years. Further details on savings shortfall are set out in Appendix B, but the shortfall is included within the loss projected per above.
- 4.3.3 In the forecast, the transformation funding anticipated from DfE has been removed, reflecting a £0.990m shortfall. There are significant overspends on agency (£1.518m), placement allowances (0.881m), other child support costs (£0.953m) and legal fees (£0.733m). These are offset by underspends in staff salaries, transformation costs, other overheads and increased income from the core contract of c£0.265m and other income of £0.200m.

- 4.3.4 If the company does overspend in the way currently forecast, the loss may ultimately fall to the Council, as it would be unable to repay the £5.000m loan granted by the Council to cover working capital. The loss is therefore a pressure that needs to be addressed.
- 4.3.5 In the year to date, the company is reporting a loss of £1.584m, which is £0.999m adverse to budget excluding invest to save costs which are pending approval. This is comprised of an underachievement on income of £0.715m and an overspend on costs of £0.284m. Within income, £0.330m of the loss relates to the removal of transformation funding from the DfE, while the remaining £0.385m is expected to be recouped over the remainder of the year. However, it also assumes a £0.250m contribution from the Public Health grant which is yet to be confirmed and so presents a potential risk.
- 4.3.6 Spend to date is £284k adverse to budget year to date, with the main variances against agency, placements and other child support costs. As the Innovate Teams are now unfunded, there is an additional unbudgeted variance of £128k for the 2 teams in July, with additional costs of £20k for community-based assessment fees for a Parent & Child assessment as an alternative to residential care. Actual legal costs for April – June have now been received, resulting in a release of an over accrual of £67k in month. Care leavers continue to be a key variance in costs due to the failed procurement of semi-independent housing for care leavers. Within this cohort are 8 unfunded unaccompanied asylum seeking children, and for those with funding there is still a full year variance of £450k of spend over and above the Home Office grant, until such time as alternative housing options can be sourced.
- 4.3.7 While the company is reflecting the above loss in the year to date, the Council side of the contract in Children's is not currently aligned to this due to a lag in the invoicing from SCF on the contract which means that the contract budget of £10.478m is showing an underspend in the ledger of £2.088m rather than being in line with budget as presented by SCF. The year to date loss of the company of £0.999m as discussed above would then be on top of the contract position. The position in the table above has therefore been adjusted to reflect the underlying consolidated loss of £0.999m.

4.4 Place and Community

- 4.4.1 The Place & Community directorate is forecasting an overspend of £3.014m against a budget of £11.515m. This assumes that the ongoing issues embedded in the 2021/22 outturn are resolved through the application of £5.3m in Capitalisation Direction adjustments. The main operational variances which are driving this overspend are non-delivery of savings (£1.3m Observatory House rent and £0.529m leisure management fee), increases in the anticipated cost of energy bills attributable to the general fund (£1.007m), a reduction in cost recovery income on Highways (£0.379m), offset by staff vacancy underspends (£0.251m).
- 4.4.2 It should be noted that the energy price to be paid in 2022/23 has been fixed following approval at Cabinet, so the key variable which will impact on outturn is the volume of energy use by the council. An analysis of the impact of the increased prices on the council indicates that there will be an increase in cost for the general fund of circa £1.0m, which is reflected in Place's forecast (down from the £2.0m previously assumed), alongside an impact on the HRA of an additional £866k.

- 4.4.3 Through the review of the 2021/22 outturn for the directorate it was identified that service budgets contained a number of significant variances due to insufficient or too much budget being held for external grants, sponsorship and rental income, recharges to capital or the HRA, savings to be achieved not allocated, as realignments to the budget had not kept pace with the changing shape and cost of services. A review of the ongoing budget issues to be addressed anticipates that the impact on 2022/23 is containable within the £5.3m capitalisation identified for Place budgets with some budget potentially to cover the resourcing issues in Temporary Accommodation/rough sleeping, although the allocation of this additional budget across the services is likely to require recalibration. An extensive exercise is underway to assess the budget realignments required and undertake virements to correct these over the summer.
- 4.4.4 The forecast overspend is based on issues anticipated as being over and above issues arising in 21/22 and addressed by the CD but this will be kept under review through the above budget realignment process.
- 4.4.5 Asset Management is forecasting an overspend of £0.871m, arising because the Highways programme of work is lower than originally budgeted and therefore the expected credit recharge of overhead costs is not achievable (£0.379m), together with a variance of £0.492m (part of the overall £1m energy pressure) arising due to spiralling energy costs.
- 4.4.6 Environmental Services is forecasting an overspend of £0.785m. The main reason for the overspend is due to the pressure on energy costs because of the energy crisis (. part of the overall £1m energy pressure). The Council is working through the plans to implement charges for garden waste collection from November of this year. This is anticipated to bring in £0.180m additional income for 2022/23, which has been reflected as an opportunity at P4. This will be reflected in the forecast once the report has been approved by Cabinet.
- 4.4.7 The Infrastructure service is reporting an underspend of £0.594m. The underspend is due to energy costs allocated to Infrastructure being lower than budget by £0.639m (part of the overall £1m energy pressure). This is made up of a Street Lighting underspend of £0.919m being offset by an overspend in gas and electricity costs of £0.280m. This is reduced by an overspend of £0.045m caused by increased costs in Transport Planning.
- 4.4.8 Place Strategy is forecasting an overspend of £1.648m due to an unachievable saving on rental income, and higher energy costs. The saving target (£1.3m) was set on the assumption that the Council would rent floor space in Observatory House in 2022/23 pending a decision on sale of the building or further rental of space. However, the rental of the floor space has not been achieved to date. Energy cost increases result in a budget pressure of £0.345m (part of the overall £1m energy pressure).
- 4.4.9 Localities and Neighbourhoods is reporting an overspend of £0.532m. The main reason for the overspend is a pressure of £0.529m on the leisure management fee which was renegotiated for 2022/23 in light of the pandemic.
- 4.4.10 Partially offsetting the above pressures is a projected underspend of £0.251m. due to staffing costs arising from current vacancies.

- 4.4.11 The savings target for Place for 2022/23 amounts to £7.453m, against which a shortfall of £1.829m is set out above, comprised of the £1.3m rental income target at Observatory House and £0.529m leisure management fee shortfall. All other savings are currently expected to deliver in full.
- 4.4.12 Opportunities reported of £0.230m are comprised of £0.180m garden waste net income, and the potential for £0.050m of additional parking income arising from the Thames Valley University site. There are risks flagged amounting to £0.457m, relating to the need for funding for the next Local Plan for which the business plan is being prepared, and a potential shortfall on digital advertising revenue against the savings target.
- 4.4.13 The year to date analysis for Place indicates an underspend of £1.591m, however there are a number of contributing factors for which adjustments would need to be considered. Firstly, the position is artificially improved by prior year end accruals reversing in 2022/23 but which have yet to be matched with the invoices anticipated – adjusting for this would bring the underspend down by £3.475m. There is also income currently reflected which needs to be deferred to a later period, adjusting for which would bring the underspend down by a further £1.654m. Slightly offsetting this would be recharges to the HRA for expenditure incurred to date – this would add to the underspend by £3.052m This then would result in an adjusted position of an overspend of £0.486m, which is comprised of £0.610m non-achievement of savings (OH rent and leisure mgmt. fee), offset by other net variances of a favourable £0.124m. Energy costs are only showing an underspend of £0.019m compared to the year-to-date budget when they are expected to show an overspend due to spiralling energy costs, as forecast. This would need further review but it is suspected that the invoices have not all come through yet. At this stage therefore the forecast appears to be reasonable based on the year to date.

4.5 Resources – Combined Finance & Commercial and COO Position

- 4.5.1 The year-end forecast position as at period 4 is an underspend of £1.116m against the budget of £29.073m. Since the appointment of the Chief Operating Officer divisions have now been allocated between COO and Finance & Commercial under the S151 Officer. These budgets are therefore now split and are presented under two separate directorates set out below. As this is worked through in detail in the ledger to set up the appropriate hierarchies, there may be budgets that need refinement and reallocation between the two directorates in future reports.

4.6 Chief Operating Officer Directorate

- 4.6.1 The Chief Operating Officer directorate has been allocated £20.286m from the original Resources directorate and is projecting an underspend for the full year of £1.069m. This is spread across the departments with underspends in IT (£0.880m), HR (£0.233m), Democratic Services (£0.210m), Strategy & Innovation (£0.172m) and Communications (£0.073m). Overspends are anticipated across Business Support (£0.296m), Customer Services (£0.184m) and Governance (£0.019m).
- 4.6.2 IT is projecting an underspend of £0.880m. The variance is directly attributable to delays in the restructuring of the service coupled with challenges in attracting and recruiting high calibre staff. The projection assumes that a third of the extra staff approved as part of the restructure will be in post by October 2022. The IT contracts

and modernisation programme budgets are currently being projected at a nil variance. It is anticipated that any underspend on the modernisation programme will be carried forward in earmarked reserves due to the nature of the projects.

- 4.6.3 HR is projecting a favourable variance of £0.233m mainly due to 5 part-year vacancies within the HR service and a delay in the training programme. There are plans to progress recruitment to the vacant posts in order to build resilience to support the wider organisation moving forward. In Democratic Services, the reported underspend of £0.210m results from challenges in recruiting to the expanded team. Consequently, the service is currently operating with some posts currently unfilled. The underspend in Strategy & Innovation of £0.172m is due to an underspend on the Chief Executive Officer salary budget as a consequence of the function being undertaken by a Commissioner.
- 4.6.4 In Communications, the underspend of £0.073m is due to in-year staff vacancies in addition to cancelled events and citizenship newsletter following management decisions. These underspends offset the current £0.061m pressure on the printing budget. The service has experienced issues regarding the legacy recharge income target of £0.219m based on the click rate of council-wide printing. As the click rate is low due to hybrid working, the internal charge per click to services has been raised to 3p which reduces the potential pressure to £0.061m.
- 4.6.5 Business Support is forecasting an overspend of £0.296m at period 4. The pressure in Building Management is mainly due to business rates and running costs at St Martin's Place (£0.352m), for which the budget had previously been removed as a budget saving, and unrealised income generation from the leasing of floors 4 and 5 of Observatory House (£0.217m). There are also other minor unachievable net income targets of £0.042m. However, there is a combined underspend of £0.288m from in-year vacant and unfilled posts to partly net off the above pressure. Close attention to the delivery of the outturn will be required due to the dependency on decisions and action in respect of the asset disposal programme and decisions being taken by the Place directorate on longer term plans.
- 4.6.6 Customer Services are projecting an overspend of £0.184m. The main driver of this pressure is the extra 18 interim staff (£0.422m projected forecast till March 2023 against a budget of £0.030m) approved in the Customer Service Contact to improve response rates. However, mitigating plans in place to offset this pressure are lower spend in the Telephony system (£0.070m), staff vacancy in the wider service (£0.129m), and an increase in recharge to the HRA (£0.010m).
- 4.6.7 The Governance department is presently reporting a budget pressure of £0.019m, mainly due to printing and postage in Elections £0.009m, and computing licences in Electoral Registration of £0.009m.
- 4.6.8 In respect of the year to date position, COO is showing a small net underspend of £0.138m. Within this, the Business Support division is showing an underspend of £0.886m as a result of a salary miscoding of staff who are currently in other directorates. The salaries will be journaled out into the correct service area in due course. Other services across COO are consequently showing overspends which correspond to this issue, along with recharges to other directorates which have yet to be processed. Adjusting for these it is anticipated that the service would still be showing an underspend which aligns with the forecast position.

4.7 Finance & Commercial

- 4.7.1 The Finance & Commercial directorate has been allocated £8.787m from the original Resources directorate and is projecting an underspend for the full year of £0.048m. This is spread across the departments with underspends in Operational Finance of £0.110m and in Commercial of £0.011m, while overspends are currently projected in Revenues & Benefits (£0.034m) and Investigations (£0.039m).
- 4.7.2 In Operational Finance, the forecast underspend of £0.110m arises from a swift recovery of £0.110m in overpayments of leasehold insurance premia for 2021 and 2022. The overpayments arose in error through a change of system by the provider.
- 4.7.3 The overspend in Investigations (£0.034m) is mainly down to legacy income from court proceeds which is not expected to be delivered, offset by internal recharge income not budgeted, while there is an overspend in Revs & Bens in respect of the cost of agency staff.
- 4.7.4 In the year to date, Finance & Commercial is showing an overspend against budget of £16.960m. There is a variance of £14.389m in Revenues & Benefits which results from benefit payments made which have yet to be offset by grants to be drawn down from the balance sheet. There is also a £1.484m variance in Operational Finance is due to expenditure on the Covid Winter Grant and Lateral Flow Testing. The respective grant income is yet to be applied. The variance in the directorate is therefore mainly due to adjustments often undertaken at year end as well as internal recharges which have yet to be undertaken and is not indicative of any underlying issues or overspends which need to be forecast.
- 4.7.5 The Resources directorate is currently forecasting to deliver against all of its savings targets amounting to £2.823m.
- 4.7.6 One post which was initially assumed to be in the Resources directorate has been transferred to the Children's service, for which a virement of £27k has been effected. Further virements for Capitalisation Direction monies transferred have also been reflected in respect of Insurance, Agresso technical support and historical budgeting issues. For further details see Appendix I.

4.8 Corporate Budgets

- 4.8.1 A forecast underspend of £30.593m has been projected as at P4. The majority of this underspend is due to the release of cost budgeted to account for the Capitalisation Direction as the pressures and impacts anticipated are manifesting through service area forecasts, or as it is identified that capitalisation adjustments are no longer deemed necessary. This variance is therefore comprised of a number of factors as set out below.
- 4.8.2 Due to ongoing work relating to the prior years, projections of the asset sales, improved cash flow monitoring, the minimum revenue provision (MRP) requirement for 2022/23 has been revised downwards creating an underspend of £10.727m. The impairment of the SUR loan assumed an impact of £1.800m in 2022/23 but which will correctly be adjusted for in full in a prior year, meaning this adjustment is no longer needed in 2022/23, creating an underspend.

- 4.8.3 While inflation for staff salaries and contracts was provided for in the budget, recent and projected inflation rates indicate that there will be a greater impact on the council's cost of delivering services. While it is hard to establish with certainty what the inflation impact on the council will ultimately be, we have set aside additional provision for up to £1m in light of the staff settlement currently on the table for unions to consider, and a further £2m for other contract pressures which may transpire as contracts are renewed, reprocured or have annual contractual inflation adjustments applied. Further provision of £1.4m has also been made in the event that certain savings are found not to deliver cashable savings.
- 4.8.4 The budget recognised that £5.6m of additional funding was announced in the final settlement agreement, with a placeholder for the spend that this would be attributed to. As the Council is now one third of the way through the year it is appropriate that the actual position is reported and thus shows as an underspend in the forecast which thus contributes corporately as an underspend.
- 4.8.5 As planned and allowed for in the capitalisation direction, further balances amounting to £16.866m have been released in respect of allowances for costs envisaged in the Capitalisation Direction and which were anticipated would manifest through service budgets. This has correctly been adjusted in order to offset the £7.616m deficit projected across service areas, the cost of living and savings pressures mentioned above, and to release other capitalisation adjustments that had been envisaged but are no longer expected to materialise or to the extent originally foreseen. This will need to be kept under review as the year progresses as there may be further matters arising for which capitalisation may be required and so the amount released may need to be flexed. By reducing the amount expected to be incurred and capitalised, the draw on capitalisation will be reduced.

4.9 Funding

- 4.9.1 An updated review of the collection fund indicates that it has the capacity to release £2.500m more than was originally budgeted. Whilst this is subject to audit review as outstanding accounts are completed, it is anticipated that as historic underfunding of the bad debt and appeals provision in prior years is resolved through the Capitalisation Direction, the Council will see an improvement in the Collection Fund position from 2022/23 onwards. This additional funding is therefore available to the Council in 2022/23. Through the application of a smoothing reserve, this benefit will be carried forward for a number of years.

Table 5 – Collection Fund estimate 2022/23

Collection Fund	Budget £'000	Actuals £'000	Forecast £'000	Variance £'000
Council Tax	(65,402)	(19,066)	(65,402)	0
Business Rates	(28,875)	(14,048)	(31,375)	(2,500)
Total	(94,277)	(33,114)	(96,777)	(2,500)

5 Treasury Management

- 5.1 A key element of the Council's financial recovery plan and the Council's Treasury Management Strategy (TMS) approved in March 2022 is to reduce the Council's historic over-reliance on temporary borrowing in order to reduce interest rate risk and to reduce the annual level of Minimum Revenue Provision (MRP) charges. The debt reduction strategy is predicated on a programme of asset sales to generate capital receipts which can then be applied to repay temporary borrowing and reduce the Council's Capital Financing Requirement (CFR), which determines the amount of MRP payable. The disposals profiling is based on a set of assumptions regarding the assets potentially surplus to requirements, the timing and value of these, and their current progress along a pipeline of work required to get them ready for disposal. The list and profiling is reviewed and updated on a regular basis based on progress, potential issues that could delay, and governance requirements.
- 5.2 The forecast borrowing of £570m at 31 March 2023 remains well within the Council's operational boundary of borrowing of £677m.
- 5.3 Although temporary borrowing is forecast to reduce by £115m, interest payable on temporary borrowing is forecast to increase by £4.7m. This exceeds the £4.1m already included in the Capitalisation Direction for interest rate rises by £0.6m. Average interest rates on temporary borrowing was around 1.1% at the beginning of the year. These rates are forecast to increase to an average of 2.8-3.5% by the end of 2022/23. To reduce the rate exposure it may be necessary to lock into current PWLB rates for 2-3 years for a tranche of borrowing of up to £50m to replace temporary borrowing.
- 5.4 As part of the debt reduction strategy, the Council's investments in pooled property funds were divested between March and July 2022. The investments yielded a gain of £0.813m since 31 March 2021 – a return of 3.9%. The £18.6m realised has been used to repay temporary borrowing.
- 5.5 The Council has authorised lending to third parties up to a cap of £90m. Currently the loans outstanding total £76m comprising:

Table 6 – Loans to other entities

	£000s
James Elliman Homes	51,700
SUR LLP - senior debt	6,165
SUR LLP - loan notes	3,427
GRE 5 Ltd	10,000
Slough Children First Ltd	5,000
St Bernards School	66
Total advanced	76,358

- 5.6 The poor financial performance of Slough Children First raises concerns about whether the company will be able to repay the loan within the original expected timeframe. Allowance had been included in the Capitalisation Direction for possible impairment of the loan according to proper accounting practise. As their draft business plan shows a return to a surplus position by 2028/29 there is potentially no need to impair the loan. However, an allowance has been made in the revised CD

against annual losses through to 2027/28 with the loan impairment slipped to the end of the profiled period as a contingency against the turnaround succeeding.

- 5.7 The £10m loan to GRE 5 Ltd was executed in June 2022. Repayment is secured against funding from Homes England. However it remains uncertain whether the funding will be sufficient to meet the loan liability. Therefore an impairment allowance of £10m has been retained within the Capitalisation Direction.

6 Savings Programme

- 6.1 The Council's original 2022/23 budget was based on the delivery of £19.958m in savings. The projected savings to be delivered in the year of £15.020m, together with £0.499m of mitigations within SCF amount to a total delivery of £15.519m (or 77%) and a shortfall of £4.439m.
- 6.2 The delivery of the savings programme and emerging in-year pressures on delivery are summarised in the table below, with detail from the directorate commentaries in Section 4 repeated beneath for convenience:

Table 7 – Savings Programme Summary 2022/23

Directorate	Savings Target £'000	Savings at Risk £'000	Forecast Delivery £'000	Savings Mitigations £'000	Residual Gap £'000
People (Adults)	5,900	-	5,900	-	-
People (Children)	1,109	277	832	-	277
Slough Children First Contract	2,673	2,832	(159)	499	2,333
Place & Community	7,453	1,829	5,624	-	1,829
Resources	2,823	-	2,823	-	-
Total Savings/ Budget Programme	19,958	4,938	15,020	499	4,439

- 6.3 People (Adults) are currently projecting that their savings will all be on target, both for the suite of savings relating to the transformation programme, comprised of a number of proposals, and the other additional savings put forward. The composition of the savings however has changed since the original budget was approved in March 2022. Appendix J sets out the original and revised savings profile with changes in the values achievable by each proposal along with clarity on the proposals which have been combined and rescoped into the revised profile of proposals.
- 6.4 The target set for People (Children) of £1.109m is expected to fall short by £0.277m. This is caused by a delay on the project to reshape the Council's children's centres provision which is yet to be presented to Cabinet and will need to undergo a statutory consultation process. The project outcomes are to reach a broader client group and to look at opportunities for alternative use of some of the buildings to support early years provision. Out of the saving of £0.456m set out in Appendix B, the remaining £0.179m has already been delivered through actions in the prior year. All other savings are currently expected to deliver to budget.
- 6.5 SCF is projecting a significant shortfall against its savings proposals, with a £2.333m adverse variance to the target. The full details of the savings proposals and shortfalls are set out in Appendix B. The shortfall is assumed to be contained within the overall deficit projected by the business case of £5.175m and hence this shortfall is not an additional variance on top of that deficit. The net saving target of £2.673 also included some pressures, hence the savings at risk being in excess of this. Mitigations of £0.499m have been identified in order to reduce the impact.

- 6.6 Place is projecting a shortfall of £1.829m against the target of £7.453m. This is comprised of £1.300m against rental income from Observatory House and £0.529m on the management fee contract with the council's leisure provider. The shortfall on the leisure management fee is crystallised as the management contract value for 2022/23 has been negotiated and confirmed.
- 6.7 Resources savings of £2.823m are projected to be on target. These will need to be separated out to illustrate those savings being delivered by either COO or Finance & Commercial and will be updated for in the next report.

7 Capitalisation Direction 2022/23

7.1 As discussed in section 2.2 above, there are a number of ongoing budget issues from 2021/22 carrying into 2022/23 but which are resolved as planned through the proposed adjustments through the Capitalisation Direction. Added to this, the forecast above incorporates potential shortfalls in the delivery of 2022/23 savings initiatives and other service pressures which have come to light. These will all need to be mitigated through both in-year service mitigations and capitalisation adjustments.

7.2 The summary of pressures brought forward and in-year are as follows, together with the mitigations against these:

Table 8 – Mitigations against 2022/23 outturn

	Total	Adults	Children	Place	Resources	Corporate Budgets
	£'000	£'000	£'000	£'000	£'000	£'000
2021/22 Ongoing issues	13,455	1,584	429	4,719	3,734	2,989
CD budget allocated: Historical budget pressures	(6,654)	-	(858)	(3,865)	(1,931)	-
CD budget allocated: Staff incorrectly capitalised	(1,450)	-	-	(1,450)	-	-
Borrowing costs – from CD	(2,100)					(2,100)
Interest rate costs – from CD	(2,000)					(2,000)
CD budget allocated: Resilience for back-office functions	(1,251)				(1,251)	
Position before 22/23 issues	-	1,584	(429)	(596)	552	(1,111)
Assumed rebalancing across services	-	(1,584)	429	596	(552)	(1,111)
Savings at risk in 2022/23 (excl.SCF)	2,106		277	1,829		
SCF deficit and contract pressure	5,440		5,440			
Other service pressures	1,012			1,012		
Other service variances	(942)			174	(1,116)	
Cost of living and savings pressures	4,400					4,400
Settlement funding - costs provided	(5,600)					(5,600)
MRP per CD reduced	(10,727)					(10,727)
SUR and other CD adjustments reduced	(18,666)					(18,666)
Collection Fund uplift	(2,500)					(2,500)
Total	(25,477)	-	5,717	3,015	(1,116)	(33,093)*

* Includes £2.5m which is reported under Funding in Table 3

7.3 The £6.654m for historical budget pressures, £1.450m capitalisation budget correction, and £1.251m back-office resilience adjustments have been allocated directly into the service budgets as stated in this report (NB some residual

virements are needed to align Agresso with where the actual budget requirement sits).

- 7.4 The above application of Capitalisation Direction against issues brought into the year from 2021/22 and release of CD budget to offset issues arising in-year or deemed to be in excess of requirements therefore demonstrates that the budget for 2022/23 can be brought back into balance with a reduced call on the Capitalisation Direction.
- 7.5 It is imperative that officers working with Lead Members responsible for delivering savings in the year deliver their savings plans in full as the council's long-term financial position and budget delivery is dependent on this. Any non-delivery will have to be offset by other equally compensating savings.
- 7.7 A summary of the change in use of capitalisation in respect of 2022/23 is as follows:

Table 9 – Proposed Capitalisation Direction for 2022/23

	Budget £'000	Revised Estimate £'000	Movement £'000
Roll forward of budget pressures	1,000		(1,000)
Original Capitalisation Direction	3,000		(3,000)
Additional Growth for new years of MTFs	1,065		(1,065)
Increase Reserve Levels	1,000	1,000	-
Companies	2,300	5,940	3,640
Incorrect capitalisation of staff costs	2,450	2,450	-
Minimum Revenue Provision (MRP)	28,985	18,258	(10,727)
Fund Redundancy Costs for 2 years	7,500	7,500	-
Emerging Pressures, Contingencies, and Provisions	31,755	23,430	(8,325)
Additional Capitalisation	5,000	-	(5,000)
Total	84,055	58,578	(25,477)

8 HRA

- 8.1 The HRA is forecasting a net contribution to reserves of £0.577m as at P4. This assumes the potential drawdown of £8.2m from the HRA Reserve at year end would no longer be required. The underspend would be achieved based on HRA not making an RCCO contribution of £5.2m which was included in the expenditure budget for 2022/23.
- 8.2 A £3.5m expenditure budget for refunds to tenants affected by the Southwark / Thames Water judgement is no longer required as the estimated potential liability has been recognised and provided for within the 2018/19 accounts.
- 8.3 There is the expectation that an underspend of £1.459m will be realised on interest payable on HRA loans based on the chargeable amount in 2021/22. This would be monitored monthly to ensure the position still holds.
- 8.4 A pressure of £0.397m is envisaged on the Repairs and Maintenance budget due to contractual inflation but which is likely to be mitigated by a supply side challenge on the part of the contractor who is unlikely to fully resource all its projects.
- 8.5 The proposed salary inflation offered to the union creates a pressure of £0.158m on the staffing budget. Other pressures include the costs of agency staff and temporary staff supporting the implementation of the new Housing Management System. The cost is unbudgeted as the assumption was for it to be charged under capital. The increased use of agency staff is due to the current state of flux between Our Futures transformation and the 'to be' structure which would be implemented. The pressures will be partly mitigated by the vacancies within the service.
- 8.6 The nationwide increase in energy cost is projected to create a pressure of £0.866m though this will be mitigated by the underspends mentioned above.
- 8.7 Dwelling and Non-dwelling rents are forecast to be in line with budget at year-end.
- 8.8 A detailed table on the HRA revenue forecast position is set out in Appendix E.

9 Capital Programme

- 9.1 The Council started 2022/23 with an approved gross capital expenditure budget of £45.259m for the General Fund capital programme. The large proportion of this was either to be funded by external grant or covered within the capitalisation direction. Since the budget was approved, some key factors need to be addressed and adjusted for in the capital budget. These are as follows:
- The IT transformation projects budget which was approved of £2.085m is also reflected in the capitalisation direction and is expected to be revenue in nature, so will be removed from the capital budget.
 - The outturn position on the 2021/22 capital programme shows a significant underspend against budget and some of this is proposed to be carried into 2022/23 to allow consideration to be given to completing key projects and programmes of works, hence needs to be added into the 2022/23 capital programme. Detail on this slippage is set out later in this report for Cabinet to consider and approve. The addition to the 2022/23 General Fund programme budget from this is a gross spend of £1.978m.
 - There are some projects with budget in 2022/23 which are on hold or for which the timetable of works are being updated, leading to the expected profile of expenditure pushing out into future years.. The future of these projects will be considered as part of the 2023/24 budget. This accounts for a reduction in the gross spend budget of £16.497m in the current year. This combined with the IT infrastructure refresh adjustment amounts to a reduction of £18.582m.
- 9.2 On the basis that (and subject to) the slippage and above matters being approved and accepted, the revised general fund capital budget becomes £28.655m.
- 9.3 The detail on the breakdown of this budget by project is provided in Appendix Ci. The position in relation to the forecast will be reviewed regularly with project managers as part of the monthly budget monitoring process. A summary of the budget and forecast position is set out below:

Table 10 – General Fund Capital Programme 2022/23

Directorate Name	Original Budget 2022/23	2021/22 Slippage	Original budget plus 21/22 Slippage	Reprofiled budget to be slipped or released	Revised Budget 2022/23
	£000	£000	£000	£000	£000
People (Adults)	353	(122)	231	0	231
People (Children)	2,037	29	2,066	335	1,731
Place	38,784	2,071	40,855	14,162	26,693
Corporate Operations (COO)	2,085	0	2,085	2,085	0
Finance and Commercial	2,000	0	2,000	2,000	0
General Fund Total	45,259	1,978	47,237	18,582	28,655

Directorate Name	Revised Budget 2022/23	Full Year Projection	2022/23 Full Year Variance
	£000	£000	£000
People (Adults)	231	224	(7)
People (Children)	1,731	1,742	11
Place	26,693	26,758	65
Corporate Operations (COO)	0	0	0
Finance and Commercial	0	0	0
General Fund Total	28,655	28,724	69

- 9.4 The council is currently forecasting a gross expenditure of £28.724m, creating a variance of £0.069m against the revised gross budget, as set out in Appendix Ci. As stated above, the IT Infrastructure Refresh Programme (£2.085m) has been removed from the forecast as it is incorporated within the CD. The contingency of £2m within Finance and Commercial has been removed.
- 9.5 In Place, a forecast overspend of £0.065m is currently projected. This is stated after bringing slippage into the year of £2.071m and pushing £14.162m out into later years. For instance, the Park and Ride project is currently not going ahead although an alternative is being worked on. The 'Stoke Road TVU Junction' project is expected to slip into 2023/24 hence the in-year budget has been reprofiled by 50% (£3.729m), leaving £2.5m projected for the current year. The A4 Safer Roads project has been reprofiled into 2023/24 hence a budget reduction of £1.511m, leaving only £0.200m of spend in the current year. Most of these projects are funded by a combination of grants and borrowing. The projects with variances are a £0.050m underspend on Burnham Station LEP which is not required, £0.140m on the decarbonisation scheme grant funded by Salix and for which the balance will be returned to Salix, and £0.090m on the cemetery extension which is not required once the defects period has expired. The Old Library Site development has £0.185m slippage from the prior year but will cost £0.505m to conclude and so will overspend by £0.320m. There is a further £0.025m spend on the Community Investment Fund which was unbudgeted but committed.
- 9.6 In Children's, the original budget of £2.037m has been reduced to £1.731m to reflect updated profiling and slippage into 2023/24. The Schools Modernisation Programme is projected to move into 2023/24 and so the budget reprofiled from £1.2m to £0.9m. The budget for 'Special School Expansion – Primary, Secondary and Post 16' has been reduced by £0.035m considering the latest understanding. A

£0.011m overspend on SEN Resource Expansion will arise as there is no budget for the project in 2022/23.

- 9.7 In Adults, the original budget of £0.353m has been reduced to £0.231m to account for overspends in the prior year. The Learning Disability Programme budget has been reduced by £0.015m to offset the overspend in 2021/22. No further expenditure is envisaged on this project, leaving a residual underspend of £0.007m. The budget for Suitable Home Ownership for people with Learning Disability has been reduced from £0.331m to £0.224m in order to offset the £0.107m overspend in 2021/22, with the forecast to budget at present.

Table 11 – HRA Capital Programme 2022/23

Programme Name	Original Budget 2022/23	2021/22 Slippage	Original budget plus 2021/22 Slippage	Reprofiled budget to be slipped	Revised Budget 2022/23
	£000	£000	£000	£000	£000
RMI Capital Programme	4,126	1,176	5,302	-	5,302
Planned Maintenance Capital	1,201	717	1,918	-	1,918
Affordable Homes	16,784	2,090	18,874	(15,374)	3,500
General Fund Total	22,111	3,983	26,094	(15,374)	10,720

Programme Name	Revised Budget 2022/23	Full Year Projection	Full Year Variance
	£000	£000	£000
RMI Capital Programme	5,302	5,302	0
Planned Maintenance Capital	1,918	1,918	0
Affordable Homes	3,500	3,500	0
General Fund Total	10,720	10,720	0

- 9.8 The Council's HRA capital budget started 2022/23 with a gross capital expenditure budget of £22.111m. Subject to approval of slippage as set out later in this report, there is £3.983m of unspent budget from 2021/22 to be carried into 2022/23. Having reviewed the latest expected profiling of the capital projects within the Affordable Homes programme, the original budget is proposed to be more than halved by £15.374m to £10.720m in order to reflect the revised profiling of works into future years, not due to the funds not being required. The detail on the breakdown of this revised budget by project is provided in Appendix Cii. A summary of the budget and forecast position is set out in Table 10 above and at this stage shows a nil variance.
- 9.9 The Repairs, Maintenance and Improvement (RMI) Capital Programme is expected to hit its target in terms of completing the 2021/22 and 2022/23 programme. This includes boiler replacements, kitchen and bathroom replacements, communal wiring upgrades, fire risk assessments etc. The £1.176m slippage from 2021/22 is required to complete this programme.
- 9.10 The Planned Maintenance Capital programme is projecting £1.918m of expenditure in 2022/23. Of this amount, £0.717m is to be agreed as slippage from 2021/22. These works such as roof replacements, door entry replacements and structural works have already been committed and it is expected they will be fully delivered in this financial year.

- 9.11 The Affordable Homes Programme is made up of Tower and Ashbourne and other Affordable Homes projects. The £16m original budget for Tower and Ashbourne has been reduced to £2.500m considering the expected slippage in this project to 2023/24 and to offset the £0.168 overspend from 2021/22. The delay has been due to the CPO being actioned in order to get a vacant possession. The £2.500m will cover the costs of demolition, tendering fees and other preliminary costs.
- 9.12 The Affordable Homes project is made up of two small sites each with a planned development of eight units of property. This project has been held up so only £0.216m of the entire £2.258m available for slippage from 2021/22 is required in this financial year, with the rest to be carried further forward into 2023/24. The expectation is that the original budget of £0.784m and the slippage into the current year of £0.216m will be sufficient to meet the project costs in 2022/23.

9.13 Capital Slippage for approval

- 9.13.1 The capital programme for 2021/22 ended the year with an overall underspend of £15.141m for the General Fund and £3.983m for the HRA. It is proposed that £1.978m be slipped into future years for the General Fund, and £3.983m for the HRA. This represents a reduction in the level of General Fund capital expenditure programme by £13.163m. A summary of the outturn position and slippage from 2021/22 is set out in the table below:

Table 12 – Capital outturn 2021/22 and proposed slippage

Directorate	Revised Budget 2021/22	Outturn	2021/22 Full Year Variance	% spend	Slippage / Carry forward
	£000	£000	£000	%	£000
General Fund:					
People (Adults)	948	1,083	135	114%	122
People (Children)	720	344	(376)	48%	(29)
Place	26,925	19,238	(7,688)	71%	(2,071)
Corporate Operations	2,378	1,749	(629)	74%	0
Finance & Resources	6,582	0	(6,582)	0%	0
	37,553	22,413	(15,141)		(1,978)
Housing Revenue Account:					
RMI Capital Programme	5,975	4,799	(1,176)	80%	(1,176)
Planned Maintenance Capital	2,223	1,506	(717)	68%	(717)
Affordable Housing	4,303	2,213	(2,090)	51%	(2,090)
HRA Grand Total	12,501	8,518	(3,983)		(3,983)
Total Expenditure	50,054	30,931	(19,124)		(5,961)

- 9.13.2 Appendices Gi (General Fund) and Hi (HRA) set out in more detail the variances and slippage proposed from 2021/22 into 2022/23 on a project by project basis.

Cabinet is requested to approve the slippage as set out in order to enable key

schemes to continue in 2022/23. In some cases, there are projects whereby there was an overspend in 2021/22 and it is proposed that the budget in 2022/23 is reduced accordingly. The detail on this is set out in Appendix Ci (General Fund) and Cii (HRA).

9.13.3 In Adults, the project Suitable Home Ownership for People with Learning Disability overspent by £0.107m and this will be removed from the budget in 2022/23. Two other schemes overspent but will not be continuing in 2022/23 and so their budgets in 2022/23 will be reduced by the overspend and forecast to nil (Learning Disability Project and Care Act: Social Care IT Development).

9.13.4 Children's directorate requests £29K from the Haybrook College project budget to be slipped into 2022/23. This amount is required to fund the commitment made by Slough Borough Council (SBC) to Haybrook College. SBC leased a building on 323 High Street to Haybrook College and within the lease is a commitment to fund some internal works up to a capped amount (£150K). The seven-year lease expires in July 2024 and £121K has already been spent on internal works by SBC as part of the terms of the lease.

9.13.5 In Place, there are slippage requests in respect of the following schemes:

- A slippage of £0.127m into 2022/23 is required for the completion of maintenance works under the cemetery extension project and for the retention payment following the expiry of the defect liability period in July 2022.
- The Disabled Facilities Grant (DFG) underspent by £0.395m, partly due to the impact of Covid as it meant visits / assessment targets were not met. This is being requested for slippage to ensure the needs of eligible residents are met.
- There is a slippage request of £0.391m for the Compulsory Purchase Order Reserve. This is meant to cover outstanding payments for the Public Enquiry at 69 Bradley Road, Slough and the compensation to the mortgagee of 24 Dawes Moor, Slough. There are also some minor legal fees to be met from this slippage.
- £0.619m slippage is requested to complete the Public Sector Decarbonisation Scheme project funded entirely by a capital grant from Salix (on behalf of BEIS, The Department for Business, Energy and Industrial Strategy) for heat decarbonisation measures such as solar panels, air source heat pumps and building insulation measures. The project was originally planned for six sites, but Wexham School pulled out of the project. Due to project delays, the contract was extended (with Salix's approval). The slippage will fund capital works on the replacement sixth site St Mary's CoE School; committed spend on sites 1 – 5; contingency for electrical upgrade works; additional project management support; and legal fees for contract extension
- £0.237m slippage is required for capital works following the stock condition survey project. This will fund the completion of work at the Elliman Resource Centre. The slippage will also fund Westpoint asbestos works which were previously delayed due to environmental issues
- The Hub Development programme is requesting a slippage of £0.997m. This will fund the completion of contract works to the Britwell GP Clinic which is programmed for completion in 2022 and payment of retention following the end of defects liability period in May 2023. Within this amount is £0.67m

which represents the balance of funding owed to the DfE for Grove Academy's S278 works.

- Thames Valley University Site project requires a slippage of £0.104m from the £0.233 reported underspend. This would fund commitments such as business rates and costs of legal consultants
- Development of Old Library Site project reported an underspend of £0.185m. The underspend is retention money set aside for contractors so needs to be slipped into 2022/23
- St. Martins Place project requires a slippage of £20K from the £0.117m reported underspend. This will fund compliance related works
- Langley High Street Improvement is a street widening project which recorded an overspend of £0.979m in 2021/22. The overspend was due to incorrect assumptions around the profiling and timing of expenditure and so it is proposed that the 2022/23 budget be reduced by this amount.

9.13.6 The HRA underspent budget in 2021/22 across all three main programmes of works – see Appendix Hi. A slippage request of £1.18M has been made for the RMI Capital Programme to ensure the scheduled programme proceeds. The slippage request will cover the following:

- Boiler Replacement and Heating - £0.25m is required for the ongoing replacement of boilers and heating systems. The 2021/22 replacement programme was not completed, and this funding will ensure the programme of work gets completed
- Kitchen and Bathroom Replacement - £0.196m is requested to complete the programme of works following the stock condition survey
- Garage and Environmental Improvements - £0.289m is requested to fund the completion of the improvement works and some external decoration works
- Capitalised Repairs - £0.222m is requested to fund large scale repairs delayed due to section 20 compliance
- Major Aids and Adaptations - £0.119m is requested to fund some major aids & adaptations works including two property extensions for which costs have been agreed and earmarked against this budget
- Carbonisation Works - £0.1m is requested to fund planning works for implementation of the decarbonisation scheme

9.13.7 A slippage request of £0.72m has been made for the Planned Maintenance Capital Programme. The slippage request will cover the following:

- Roof Replacement – Slippage of £0.284m will fund a programme of work which is based on the stock condition survey. These works are deemed essential as they impact on the structure of the housing assets
- Structural: A slippage of £56K is sought to fund necessary external structural works. The works didn't commence on time in 2021/22 due to staff shortages
- Security and Controlled Entry Modernisation - slippage of £0.378m is required to fund the Door Entry Replacements to blocks and security fire alarms to de-designated units

9.13.8 The Affordable Homes Programme had a revised capital budget of £4.3m in 2021/22 and recorded an outturn of £2.2m resulting in an underspend of £2.09m. The underspend is due to enabling works delay which impacted on the project timetable. From this, slippage of £2.2258m is requested for Affordable Homes to fund the enabling works for two sites. Based on this slippage being approved, the 2022/23 budget can be reprofiled to 2023/24. Offsetting this, the overspend on the

Tower and Ashbourne project of £0.168m will be offset to reduce the 2022/23 programme budget.

9.13.9 In addition to the slippage from 2021/22, a review of projects originally budgeted for 2022/23 has clarified that a number of these are now anticipated to be delayed into 2023/24. It is therefore advisable that at the same time as adjusting for slippage from the prior year, a reprofiling of 22/23 budgets into 23/24 is undertaken to avoid having to report excessive capital underspends through the year when an updated profile is recognised. This will also reduce the amount requested for slippage from underspends in a year's time. The adjustments proposed are set out in Appendices Gii (General Fund) and Hii (HRA). These result in £16.497m being slipped for the General Fund and £15.374m for the HRA. This is a significant reduction in the capital programme for 2022/23 compared to the budget but is considered to be appropriate in light of the Council's current circumstances. **Cabinet are requested to approve these changes to reflect a more suitable profile of budget and reduce slippage requested at the end of the year.** Appendices Gii (General Fund) and Hii (HRA) set out the commentary on individual projects but is predominantly due to two factors. Firstly projects for which the start date is later than originally assumed for the budget (e.g. Stoke Road TVU junction and A4 Safer Roads) and a number no longer expected to start this year. There are also a number of schemes which without external grant funding will not be undertaken and so while these have been slipped into 2023/24 for now, when the next full capital programme budget refresh is undertaken for the next 5 year plan, these will be reassessed as to whether they can be undertaken in 2023/24 or postponed until funding can be identified.

10 Flexible Capital Receipts Strategy

10.1 There is no Transformation Fund available in 2022/23 as all capital receipts from the disposal of assets will be applied towards the reduction of Council borrowing.

11 Dedicated Schools Grant

11.1 All local authorities with DSG deficits are required to prepare and implement a deficit management plan, although the Department for Education (DfE) recognises that in some cases it may take several years for the situation to improve.

11.2 Slough's original deficit management plan was shared with the DfE in July 2021. The management plan indicated that the deficit could potentially grow to £43m by 2024/25 if no mitigating actions were taken. Action is now being taken to reduce this significantly and it is anticipated that the annual in year deficit will be eliminated by 2025/26

11.3 The recent history of the DSG deficit has been an outturn position in 2020/21 that was an overspend of £7.2m and it was anticipated that an overspend of £7.2m would occur in 2021/22. However, as a direct result of the proactive actions taken since May 2021 an overspend of £4.9m was achieved, a reduction of £2.3m when compared to last year's position. This and the forecast position in 2022/23 of a £3.393m overspend has taken place due to increased leadership and focus on this area, additional scrutiny and improved panel processes. The majority of the deficit

in 2021/22 is as a result of pressures on the High Needs Block and can be summarised as follows:

Table 13: DSG Outturn 2021/22

Area of spend	Amount (£m)
Planned place funding	0.3
Top-up funding within in-borough settings	1.8
Special school top ups	2.4
Out of borough	0.2
Early Years	0.2
Total overspend	4.9

- 11.4 The DSG forecast for 2022/23 is a deficit of £3.393m, against grant funds of £77.064m, after taking account of mitigations identified as part of the Council's DSG Management Plan. The overspend can be attributed to the pressures from the High Needs (HN) Block, which mainly relates to increased demand for out of borough SEN placements and places at Special schools and a failure to address the issues in previous years.

Table 14 – DSG Forecast 2022/23

Block	Revised Budget 2022/23	Forecast Position 2022/23	Variance	Cumulative Surplus/ Deficit
	£'000	£'000	£'000	£'000
Schools Block	37,960	37,573	(387)	(268)
High Needs Block	23,619	27,399	3,780	29,243
Early Years Block	14,461	14,461	0	(110)
CSS Block	1,024	1,024	0	(2)
Total	77,064	80,457	3,393	28,863

- 11.5 The projected in-year deficit for 2022/23 is much reduced from the deficit of £4.855m in 2021/22, reflecting the ongoing work by officers to turn the deficit situation around.
- 11.6 The cumulative DSG deficit is forecast to rise from £25.5m to £28.9m by 31 March 2023, which is mainly due to the overspend on the High Needs Block.
- 11.7 In response to the growing pressure on the DSG as a result of increasing demand on the High Needs Block, the DfE undertook a consultation seeking to clarify the accounting arrangements. The government [response](#) was published on 30 January 2020 which set out a number of regulatory changes.

- 11.8 The Local Authorities (Capital Finance and Accounting) (England) Regulations were amended to require any deficit on a local authority's DSG account to be carried forward to be funded from future DSG income unless permission is sought from the secretary of state for education to fund the deficit from general resources. The change in regulation only applies to financial years beginning on 1st April 2020, 1st April 2021 and 1st April 2022.
- 11.9 It is not yet clear whether this change in regulations will continue in subsequent financial years. If it does not continue and based on the Council's deficit projections, the financial position would worsen by an additional £43m and therefore it is imperative that the pressures are managed in an appropriate and effective way.
- 11.10 In order to address the pressures being faced, the following governance structure was implemented to ensure there is oversight of the delivery of the DSG Action Plan:
- DSG Finance Group: meets weekly and is chaired by the Section 151 Finance Officer and provides assurance that actions to deliver the DSG plan is on track and provides financial reports to track impact. These actions are set out below in 11.8
 - SEND Transformation Board; meets monthly and is jointly chaired by Section 151 Officer and the Executive Director People Children. Membership also includes chair of school forum, Frimley Clinical Commissioning Group, Slough Children Trust Ltd, parent voice and Adult Social Care. This Board provides challenge and oversight of the DSG Management Plan and links to improving SEND outcomes and reports up to the SEND Strategic Board.
- 11.11 Options reviewed and implemented by the DSG Finance Group set up by the Director of Finance (S151) to reduce the in-year deficit include:
- Collaborative work is being undertaken with the local Clinical Commissioning Group (CCG) and care partners, to establish stronger working relationships. There is a local tripartite panel in place to make decisions around joint funding – SBC are requesting review of the ToR and decision-making processes, resolution of funding disputes, and future developments.
 - The authority is currently reviewing the local offer for Alternative Provision (AP), to ensure that we secure sufficient places to meet our statutory 6-day provision for P-Ex pupils, and to work with providers to develop a traded model over time to support schools in identifying how best to purchase any additional AP interventions.
 - Review of bandings to encompass a blended approach of top-ups and fixed costs will support with cost-effective commissioning, as LA can plan around mostly static costs in our IB maintained special schools.
 - Our commissioning approach will be to develop cost-effective commissioning of places from OOB maintained special and independent non-maintained special schools to ensure we have sufficient, good quality, affordable places to meet the needs of all children and young people with SEND in SBC, throughout all phases.

- Capital investment initiatives have been used to support the expansion of two resource bases in primary sector, and development of one new resource base in secondary sector, to meet growing demand for specialist provision supporting ASD and complex needs

11.12 Furthermore, the Council is currently in discussion with the DfE in relation to participating in its safety value programme.

11.13 Council officers have met with the DfE, and a series of workshops have taken place over July and August to review the DSG management plan in more detail as part of the Safety Valve programme. Meetings to discuss the Management Plan with the DfE will continue until February 2023 as a minimum. The Council will be required to submit an initial proposal for addressing the in-year deficit by 13 January 2023 with the final proposal required by 3 February 2023 and notification of approval expected in March 2023.

11.14 If the proposals are agreed to by the Secretary of State, they will form the basis of a published agreement. The agreement will require the Council to implement reforms to the agreed timetable, alongside maintaining an agreed savings profile. It will also set out additional funding which the department will release to support the reduction of the cumulative deficit. Once the agreement is reached, the Council will be required to submit quarterly monitoring reports in which progress towards reaching and sustaining an in-year balance on its DSG account, as set out in the agreement, should be demonstrated.

12 Maintained Schools

12.1 There are 2 main pressures on school budgets in 2022/23: the National Insurance Health and Social Care levy and increases in energy costs. The DfE have allocated schools a supplementary grant to cover these additional costs. Maintained primary and secondary schools are receiving this grant to cover both these new burdens while maintained nursery schools are only receiving grant to cover the additional costs of the national insurance costs.

12.2 In 2023/24 the schools supplementary grant will be included in the DSG allocations through the schools block and the early years block.

12.3 The maintained schools of Slough Borough Council are projecting a retained balances position of £5.465m as at 31 March 2023. This compares to a closing position at March 2022 of £9.555m. Within this projection, 4 of the 16 schools are expecting to be in deficit at March 2023, with a combined deficit of £0.647m. Appendix F sets out the balances position by school and which schools are currently or projecting to be in deficit. The schools are required to produce a recovery plan which sets out how they will return to a balanced position within a three-year period. Council officers and Schools Management Resource Advisors (funded by the DfE) are working with the schools to ensure that these plans are produced, are considered to be robust, and are monitored to follow progress against the plans.

13 Pensions

- 13.1 Currently the Council is paying annual employer contributions to the pension fund of £14.3m comprising normal contributions of £9.3m and deficit funding contributions of £5.0m.
- 13.2 At the last triennial funding valuation the Council's pension fund funding level was 78% of total liabilities representing a deficit of £74.7m at 31 March 2019. The Council's strategy to address the deficit has been to make lump sum contributions to meet the deficit over 20 years.
- 13.3 The deficit contributions agreed in the 2019 valuation were below those recommended by the actuary as set out below.

Table 15 – Pension deficit contributions

Year	Deficit Contributions		
	Recommended	Actual	Under charge
	£m	£m	£m
2020/21	4.4	3.5	(0.9)
2021/22	6.9	4.3	(2.6)
2022/23	6.5	5.0	(1.5)
	17.8	12.8	(5.0)

- 13.4 A pension funding deficit is similar to a loan in that it comprises principal in the form of the deficit at the valuation date (£74.7m at 31 March 2019) and interest to be incurred over the recovery period. By setting deficit funding contributions £5m less than the actuarial recommendation, this will have incurred an additional £4.3m over the above triennial period.
- 13.5 Based on the current strategy, the Council will need to pay the pension fund £181m of deficit contributions by 2039/40 to clear the deficit. The deficit contributions include £106.3m of interest over the recovery period.
- 13.6 If the Council were to make an additional deficit contribution of £99m in 2024/25 this would eliminate the need to make deficit contributions. This would save the Council £51.9m in interest over the 16 years 2024/25 to 2039/40. This is £51.9m more beneficial than paying off MRP, which does not generate a revenue saving. For 2024/25 this would save the Council £5.0m per annum in deficit contributions, which is more than one third of the target annual revenue budget savings of £14m. This matter is being explored at the moment
- 13.7 A key risk from making additional contributions to the pension fund is from adverse investment market movements resulting in falls in asset values. Whilst this would imply that the funding level would decline, in practice the future value of liabilities tends to reduce in parallel, thus mitigating the effect of falls in market prices.
- 13.8 Currently the pension fund is being subject to the next triennial funding valuation based on data at 31 March 2022. Preliminary results from the Pension Fund indicate an improvement in the funding level of the pension fund overall. Nonetheless, the actuary is still projecting a substantial funding deficit, which continue to require employers (including Slough Borough Council) to make ongoing

deficit funding contributions. The above estimates will be updated when the actuarial results have been finalised between Berkshire Pension Fund and the actuary.

14 Implications of the Recommendations

14.1 Financial implications

14.1.1 The financial implications are contained within this report.

14.2 Legal implications

14.2.1 Section 31 of the Local Government Finance Act 1992 requires the Council to set a balanced budget at the start of each financial year.

14.2.2 Section 28 of the Local Government Act 2003 requires all local authorities to review actual expenditure against this budget on a regular basis during the year. Where it appears that there has been a deterioration in the financial position, the local authority must take such action as is necessary to deal with the situation.

14.2.3 The Secretary of State for Education made a direction under s.15 of the Local Government Act 1999 on 1 December 2021 (which has subsequently been updated). The Direction required an action plan to achieve financial sustainability and to close the long-term budget gap. The finance action plan was first reported to cabinet in September 2021 and has been regularly updated since. This report contains significant information on the work undertaken to achieve financial sustainability and to close the long-term budget gap, although the Council will still need a capitalisation direction for some years to come. In addition, the appointed commissioners have reserve powers to exercise the function of proper administration of the Council's financial affairs and all functions associated with the strategic financial management of the Council, including providing advice and challenge of the budget and scrutinising all in-year amendments to annual budgets. The finance commissioner has been fully involved in the budgeting process and in reviewing in-year adjustments.

14.3 Risk management implications

14.3.1 In addition to the risks set out above given the level of financial uncertainty, emerging issues and the restricted financial resources available to the Council, there is clearly a risk that the revenue savings for 2022/23 will prove difficult to deliver. Realising the forecast outturn will be dependent on:

- achievement of in-year savings, across all directorates including the Children's company
- delivery of the transformation programme and associated planned savings in People Adults of £5.9m
- all other Departments delivering the savings put forward and absorbing any further emerging cost pressures

- the Capitalisation Direction being sufficient to cover on a permanent basis any deficits, shortfalls in savings delivery, new pressures, cost of living and economic impacts that may arise
- Government funding being made available should there be further waves of Covid which require council

14.3.2 To mitigate risks the Council is continuing to:

- engage in regular discussion with DLUHC regarding additional financial support through the Capitalisation Direction and other means
- prioritise preparation and audit of prior years' financial statements so that the historical financial position can be ascertained with certainty,
- move forward with the Finance Action Plan and strengthen financial management so that all Council functions and services operate within their approved budget on a consistent basis
- strengthen financial controls through the robust ECP process, procurement review board, and realignment of directorate budgets
- ascertain whether any additional savings can be implemented during the current financial year
- Apply Capitalisation Direction appropriately to offset adverse financial positions, having reviewed and challenged them first.
- Report the current position regularly to all forums.

14.4 Environmental implications

14.4.1 None

14.5 Equality implications

14.5.1 There are no identified equality implications from this report. Equality impact assessments will be completed for new savings proposals.

14.6 Procurement implications

14.6.1 None

14.7 Workforce implications

14.7.1 None

14.8 Property implications

14.8.1 Delivery of savings depends in some directorates on asset disposals, as reported to Cabinet on 21 June and 20 September 2021.

15 Background Papers

- Revenue Budget Report, March 2022 Full Council
- Capital Strategy, March 2022 Full Council
- S114 Notice, July 2021 Full Council

Sign off procedure (NOT TO BE INCLUDED IN PUBLISHED REPORT)

Statutory Officers: *(Finance and legal colleagues should be involved in projects etc from start of the work so that all financial and legal implications can be fully considered throughout. Minor reports should be provided to legal and finance 5 days before Executive Board meeting)*

Approved by or on behalf of s.151 Officer

Name:

Date:

Approved by or on behalf of Monitoring Officer

Name:

Date:

Approved by Executive Board:

Date:

Other officers consulted (consult officers as appropriate):

Procurement:

Name:

Date:

Equalities:

Name:

Date:

Communications:

Name:

Date:

Lead Member consulted:

Name:

Date:

Ward Councillors notified: YES/NO

Call in waived by Chair of Overview & Scrutiny: YES/NO (for completion by Democratic Services)

Directorate	Current Budget £'000	Forecast Outturn £'000	Full Year Variance £'000	Risks £'000	Opportunities £'000
PEOPLE (ADULTS)					
Public Health	(1,302)	(1,302)	-	-	-
Localities Social Work	13,112	14,047	935	-	-
CTPLD	11,883	11,427	(456)	-	-
Mental Health	5,032	5,542	510	-	-
Commissioning	(1,054)	(1,621)	(567)	-	-
RRR & Long Term OTS	(293)	(586)	(293)	-	-
Safeguarding Partnership team	561	432	(129)	-	-
People Adults Management	502	502	-	-	-
People (Adults) Total	28,441	28,441	-	-	-
PEOPLE (CHILDREN)					
School Services	3,808	3,808	-	-	-
School Effectiveness	500	500	-	-	-
Early Help Hub	271	271	-	-	-
Children's Centres / Family Hubs	459	736	277	-	-
Inclusion	2,302	2,302	-	-	-
People Children Management	682	682	-	-	-
Dedicated Schools Grant (DSG)	(268)	(268)	-	-	-
Sub-Total	7,754	8,031	277	-	-
Slough Children First contract	31,435	36,875	5,440	250	(941)
People (Children) Total	39,189	44,906	5,717	250	(941)
PLACE & COMMUNITY					
Environmental Services	12,829	13,614	785	-	(180)
Infrastructure	4,597	4,004	(593)	125	(50)
Accommodation	1,612	1,612	-	-	-
Localities & Neighbourhoods	(63)	469	532	-	-
Community Safety, Housing Regulation & Enforcement	1,571	1,571	-	-	-
Place Strategy	(9,143)	(7,495)	1,648	332	(300)
Asset Management	(1,576)	(705)	871	-	-
Place Delivery	799	799	-	-	-
Planning	530	530	-	-	-
Place Management	(156)	(156)	-	-	-
Public Protection	273	273	-	-	-
Learning, Skills & Employment	241	13	(228)	-	-
Place & Community Total	11,515	14,530	3,015	457	(530)
COO					
Business Support	3,676	3,972	296	-	-
IT	9,640	8,760	(880)	-	-
Customer Services	1,484	1,668	184	-	-
Democratic Services	1,333	1,123	(210)	-	-
Governance	714	733	19	-	-
Strategy & Innovation	871	699	(172)	-	-
HR	2,238	2,005	(233)	-	-
Communications	330	257	(73)	-	-
COO Total	20,286	19,217	(1,069)	-	-
FINANCE & COMMERCIAL					
Operational Finance	5,611	5,501	(110)	-	-
Commercial	1,013	1,002	(11)	-	-
Revenues, Benefits & Charges	2,176	2,210	34	-	-
Investigations	196	235	39	-	-
Strategic Finance	(209)	(209)	-	-	-
Finance & Commercial Total	8,787	8,739	(48)	-	-
GRAND TOTAL	108,218	115,833	7,616	707	(1,471)
% of revenue budget over/(under)			7%		
CORPORATE BUDGETS	83,434	52,841	(30,593)	-	-
GRAND TOTAL	191,652	168,674	(22,977)	707	(1,471)
% of budget over/(under)			-12%		

This page is intentionally left blank

Directorate	Current Budget £'000	YTD Actual £'000	Variance £'000
PEOPLE (ADULTS)			
Public Health	(434)	(2,012)	(1,578)
Localities Social Work	4,371	6,635	2,264
CTPLD	3,961	3,985	24
Mental Health	1,677	1,538	(139)
Commissioning	(351)	2,693	3,044
Day Services Unit	-	85	85
Lavender Court	-	-	-
RRR & Long Term OTS	(98)	1,299	1,397
Safeguarding Partnership team	187	107	(80)
People Adults Management	167	392	225
People (Adults) Total	9,480	14,722	5,242
PEOPLE (CHILDREN)			
School Services	1,723	847	(876)
School Effectiveness	167	26	(141)
Early Help Hub	90	(833)	(923)
Children's Centres / Family Hubs	153	(4)	(157)
Inclusion	768	518	(250)
People Children Management	227	323	96
Dedicated Schools Grant (DSG)	(543)	(453)	90
Sub-Total	2,585	424	(2,161)
Slough Children First contract	10,478	11,477	999
People (Children) Total	13,063	11,901	(1,162)
PLACE & COMMUNITY			
Environmental Services	4,276	3,098	(1,178)
Infrastructure	1,532	187	(1,345)
Accommodation	537	241	(296)
Localities & Neighbourhoods	(21)	198	219
Community Safety, Housing Regulation & Enforcement	524	(140)	(664)
Place Strategy	(3,048)	(2,928)	120
Asset Management	(525)	962	1,487
Place Delivery	266	188	(78)
Planning	177	159	(18)
Place Management	(108)	345	453
Public Protection	91	382	291
Learning, Skills & Employment	80	(502)	(582)
Place & Community Total	3,782	2,190	(1,591)
COO			
Business Support	1,225	339	(886)
IT	3,213	3,382	168
Customer Services	495	615	120
HR	746	730	(16)
Strategy & Innovation	290	313	22
Governance	303	507	203
Democratic Services	444	665	220
Communications	110	139	29
COO Total	6,827	6,689	(138)
FINANCE & COMMERCIAL			
Operational Finance	1,871	3,352	1,482
Commercial	338	179	(158)
Revenues, Benefits & Charges	725	15,112	14,387
Strategic Finance	(70)	1,180	1,249
Finance & Commercial Total	2,864	19,823	16,960
TOTAL SERVICES BUDGETS	36,017	55,325	19,311

This page is intentionally left blank

Executive Directorate	Service	Member Portfolio	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
People (Adults)	People Adults Non-Group Manager	Social Care and Public Health	Joint protocol	500	500	-		-	
People (Adults)	People Adults Non-Group Manager	Social Care and Public Health	Provider services	854	854	-		-	
People (Adults)	People Adults Non-Group Manager	Social Care and Public Health	Adult Social Care - Financial Charging/Client Contribution	560	560	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Sharelives	205	205	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Direct Payment (DP) recoupment	150	150	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Virtual Review Team (Delivered)	120	120	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Focused Review Project	410	410	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Practice and Process Development	823	823	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Reablement Efficiencies	550	550	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Targeted Reablement Project	450	450	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Accommodation with Support	300	300	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Floating Support	48	48	-		-	
People (Adults)	People (Adults)	Social Care and Public Health	Better Care Fund (BCF) + BC Review additional	769	769	-		-	
People (Adults)	Business Support	Social Care and Public Health	Business Support Efficiencies - 75% reduction in staffing	161	161	-		-	
People (Children)	People (Children)	Children's Services, Lifelong Learning & Skills	Reduction in staffing (vacant post) and re-assigning of various tasks from the School Services area to other functions.	108	108	-		-	On track
People (Children)	Education & Inclusion	Children's Services, Lifelong Learning & Skills	Optimisation of current routes to provide efficiencies and longer term policy review to enable transformation of Slough (SBC) Passenger Travel and Transport (part year saving)	77	77	-		-	On track
People (Children)	Early Years	Children's Services, Lifelong Learning & Skills	Re-modelling Children's centres to reach a broader client group and look at opportunities for alternative use of some of the buildings to support early years provision.	456	179	277		277	Due to request to pause paper being submitted to Cabinet in July by commissioners, the timeline required to reach £456k savings by January 2023 has been significantly impaired. If the paper is submitted to Cabinet in October, full savings should be achieved by March 2024. £112k of the remaining £277k is expected to be achieved through Corporate Landlord rental income, not through savings achieved in People-Children. Forecast to March 2023 represent staff savings that were achieved in 2021/22 and are being used for the 2022/23 savings target.
People (Children)	All	Children's Services, Lifelong Learning & Skills	Removal of all supplies and services budgets across all remaining Children centres and Early Years provision.	99	99	-		-	On track
People (Children)	People (Children)	Children's Services, Lifelong Learning & Skills	Staffing reductions subject to Cabinet approval	306	306	-		-	On track
People (Children)	People (Children)	Children's Services, Lifelong Learning & Skills	Removal of Educational Psychology Grants Budget	63	63	-		-	On track
Place & Community	Localities and Neighbourhoods	Children's Services, Lifelong Learning & Skills	Library Services Remodelling	400	400	-		-	On track
Place & Community	Community Learning (Adult Learning)	Children's Services, Lifelong Learning & Skills	(Learning) Staffing Management	137	137	-		-	On track
Place & Community	Business Support	Customer Services, Procurement & Performance	Business Support Efficiencies - 75% reduction in staffing	431	431	-		-	On track - This is part of the Directorate restructure
Place & Community	Community	Financial Oversight & Council Assets	Cross Cutting - Voluntary reduced staffing hours; Fees & Charges; Rationalise vacancies following P2 restructure	(79)	(79)	-		-	On track

Executive Directorate	Service	Member Portfolio	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Place & Community	Place Strategy & Infrastructure	Financial Oversight & Council Assets	Rental Income for 2/3 floors of Observatory House	1,300	-	1,300		1,300	Not achievable. Mitigation is to accelerate disposal of Observatory House / broader disposals programme
Place & Community	Place Strategy & Infrastructure	Transport & The Local Environment	Digital advertising (Street Advertising/Bus Shelter Advertising)	175	175	-		-	Partially achieved subject to a further retender. £50k will be achieved by other digital advertising
Place & Community	All	Financial Oversight & Council Assets	Departmental Staffing restructure in line with development of Functional Capacity and Capability statement	1,737	1,737	-		-	On track - Multiple vacant posts in prevailing structure many of which are no longer needed and many of which are funded other than by the general fund. Tick and check exercise should be carried out with budgeted establishment assumptions in order to verify.
Place & Community	Place	Asset Management (Corporate Buildings)	Energy costs budget pressure	(300)	(300)	-		-	Further pressure from Energy costs has been forecast and is being dealt with as a growth pressure
Place & Community	Place Management	Housing & Planning (Deputy Leader)	Release and utilisation of S106 receipts	(50)	(50)	-		-	Achieved
Place & Community	Place Strategy & Infrastructure	Financial Oversight & Council Assets	Regeneration - Income generation for Moxy Hotel	821	821	-		-	Achieved. Timing of payments may see this increase, this is being explored
Place & Community	Place Strategy & Infrastructure	Housing & Planning (Deputy Leader)	Delivery of the Local Plan (Reversal of 2020-21 Growth)/Restructure	332	332	-		-	Budget was given up on the basis that there will be no Local Plan. Subsequent to this an alternative initial budget of £500k has been found to fund the new Local Plan. A business case is being prepared as this will be insufficient.
Place & Community	Accommodation	Housing & Planning (Deputy Leader)	Restructure of temporary accommodation services, re-allocation of work across the Housing Department.	561	561	-		-	Saving needs to be found from proper allocation of the Homelessness Grant
Place & Community	Localities and Neighbourhoods	Leisure, Culture & Community Empowerment	Leisure Services – receipt of management fee from leisure contractor part year effect	745	216	529		529	This is part of the £1.6m Management Fee. Commercial negotiations have been concluded and agreed with Cabinet (18 July 2022) which results in a shortfall of £529k in 2022/23.
Place & Community	Localities and Neighbourhoods	Leisure, Culture & Community Empowerment	Leisure - EA Management fee indexation	100	100	-		-	Achieved. This is a subset of the overall £1.6m Management Fee and dealt with as part of that Savings Target
Place & Community	Place Regulation	Public Protection, Regulation & Enforcement	Use PREVENT Reserve to fund Domestic Abuse and Exploitation Service for 1 year	(49)	(49)	-		-	Achieved
Place & Community	Place Strategy & Infrastructure	Transport & The Local Environment	Increased Parking Income	200	200	-		-	On target - Additional PCNs generated from Bus Lanes & Parking Enforcement
Place & Community	Place Strategy & Infrastructure	Transport & The Local Environment	Income from Car Park on TVU (reversal of prior year saving)	(100)	(100)	-		-	Achieved. Possible £50k upside as Car Park continued for 6 mths
Place & Community	All	Financial Oversight & Council Assets	Cross Cutting - Voluntary reduced staffing hours; Fees & Charges; Rationalise vacancies following P2 restructure	(154)	(154)	-		-	On track - Multiple vacant posts in prevailing structure many of which are no longer needed and many of which are funded other than by the general fund. Tick and check exercise should be carried out with budgeted establishment assumptions in order to verify.
Place & Community	All	Transport & The Local Environment	Additional income from re-procurement of Car Parking contract	102	102	-		-	On track - New Parking charges - cheaper contract costs
Place & Community	All	Transport & The Local Environment	Bulk Waste & Chalvey Weighbridge Charges additional income	132	132	-		-	On track - Additional charges applied at Weybridge
Place & Community	Place	Transport & The Local Environment	Street Cleansing - reduction in resources deployed and revised ways of working	400	400	-		-	On track
Place & Community	Place	Transport & The Local Environment	Grounds Maintenance – reduction in resources deployed, stopping of ad-hoc work, and revised ways of working	450	450	-		-	On track
Place & Community	Place Strategy & Infrastructure	Transport & The Local Environment	Bus station self financing	42	42	-		-	on track
Place & Community	Place	Transport & The Local Environment	Parks - Efficiencies and Service review	50	50	-		-	on track
Place & Community	Place	Transport & The Local Environment	Allotments – water charge levy	20	20	-		-	on track
Place & Community	Place	Transport & The Local Environment	Highways development Planning Performance Agreement fees	50	50	-		-	Planning Performance Agreements (PPAs) - research further to understand further upside

Executive Directorate	Service	Member Portfolio	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Resources	Strategy & Improvement	Council Recovery, Forward Strategy & Economic Development Customer Services, Procurement & Performance	Removal of posts never recruited to following previous re-structure	300	300	-		-	Saving already achieved
Resources	Democratic Services	Council Recovery, Forward Strategy & Economic Development (Leader)	Increase income target for Schools appeals	10	10	-		-	Saving on track to be delivered
Resources	Democratic Services	Council Recovery, Forward Strategy & Economic Development (Leader)	Mayors Hire vehicle	8	8	-		-	Saving already achieved
Resources	Democratic Services	Council Recovery, Forward Strategy & Economic Development (Leader)	Printing budget (Mayors)	1	1	-		-	Saving already achieved
Resources	Corporate Operations	Council Recovery, Forward Strategy & Economic Development (Leader)	Elections – reduction in staffing to reflect the current post holders	14	14	-		-	Saving already achieved
Resources	Corporate Operations	Council Recovery, Forward Strategy & Economic Development (Leader)	Communications - Delete vacant posts and reduce events budget	83	83	-		-	Saving already achieved
Resources	Business Support	Customer Services, Procurement & Performance	Business Support Efficiencies - 75% reduction in staffing and reduction in usage of printing, postage and mobile costs in Counter Fraud team	108	108	-		-	Saving already achieved
Resources	ICT	Customer Services, Procurement & Performance	Professional subscriptions	5	5	-		-	Saving on track to be delivered
Resources	ICT	Customer Services, Procurement & Performance	ICT - decommissioning of equipment and contracts that are no longer needed.	360	360	-		-	Active work continues to ensure savings are delivered
Resources	Finance & Commercial	Customer Services, Procurement & Performance	Recommissioning and reviews of Procurement and Internal Audit contracts and reduction in number of posts	713	713	-		-	Working through RSM exit. Timeline for transition of RSM out will be determined within the next 2weeks.
Resources	Customer Services	Customer Services, Procurement & Performance	Customer service – reduced staffing and re-allocation of workload	38	38	-		-	Saving on track to be delivered
Resources	Customer Services	Customer Services, Procurement & Performance	Reduction of 5 customer service assistant posts	123	123	-		-	Saving on track to be delivered
Resources	Building Management	Financial Oversight & Council Assets	To review and re-scope Building management contract requirements	225	225	-		-	Will be achieved through consideration of all building management contracts. Highly dependent on asset disposal by Place in a timely manner
Resources	All	Financial Oversight & Council Assets	Cross department reduction in all budgets through management of vacancies and additional expenditure controls	350	350	-		-	Work continues to ensure savings are fully delivered
Resources	Strategy & Improvement	Financial Oversight & Council Assets	Senior management structure	120	120	-		-	Saving on track to be delivered
Resources	Strategic Finance	Financial Oversight & Council Assets	External audit fee - reduction	150	150	-		-	Work continues to ensure savings are fully delivered
Resources	Finance & Commercial	Financial Oversight & Council Assets	Cross-cutting: Stretch target pro rata to Depts as agreed at Executive Board	89	89	-		-	Work continues to ensure savings are fully delivered
Resources	Building Management	Leisure, Culture & Community Empowerment	Community Centre - Increased Income	126	126	-		-	Saving on track to be delivered
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Staffing recruitment & retention strategies	935	-	935		935	Demand pressures are projecting Innovate teams to the end of the year and additional capacity to meet demands, reliant on transformation funds to progress

Executive Directorate	Service	Member Portfolio	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	16-25 accommodation commission plan -4 procurement lots to develop local markets, meet sufficiency & needs for young people 16 - 25 years old. Reducing placement rates from existing providers. Delays in procurement impacting launch date and reducing saving target	313	154	159		159	Challenges on LOT 2 resulting in delay on savings, LOT 3 & 4 needing to go back out to tender due to difficulties in finding suitable accommodation in the market at affordable prices, savings delayed until later into 2022/23 / 23/24
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Income stream maximisation (incl PH)	1,955	1,553	402	279	123	Session set up with senior leaders across health, council and SCF to work through recommendations for working practices going forward. Analysis under way to identify current spend to attract PH and Health funding. Mitigation through additional Strengthening Families and COMF funding
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Slough Children First – AMZ local commissioned provision	238	218	20		20	Greater voids than budgeted due to safeguarding training needed with provided
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Independent Foster Allowance (IFA) carer recruitment	221	202	19		19	Progress being made, but targets behind profile
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Slough Children First – overhead cost savings	49	47	2		2	Small favourable variances against mileage due to more local provision of placements and in room hire offsey by minor adverse variances in unit rate for printing
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Savings from staffing restructures, includes recording & transcription of meetings to reduce the need for business support, deletion of 13 early help posts, merging services with the virtual school to delete 1 further post in early help, and efficiencies to be gained from merging o feedback office functions with the council.	744	300	444	79	365	A number of restructures in this initiative have been delivered, but resource constraints have delayed other corporate savings due to be delivered from council synergies and increased use of technology. Savings delivered in efficiencies delivered in NEET team, however targeted early help reductions cannot be deleted as posts essential for reducing demands on statutory services. Mitigation through reductions in S17 expenditure in statutory services following investment in Early Help
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Other commissioning opportunities	80	152	(72)		(72)	Savings in local residential provision delayed due to lack of commissioning resource & identification of housing options. Efficiencies in planned placements are expected to come in on line, training being delivered to new placement team for best practice approaches. Improvements on rates for UASC placements are delivering additional savings.
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Growth absorbed by company	(2,052)	(2,785)	733		733	Additional pressure from Legal due to demand and court delays.
Slough Children First company	Children's Services Trust Contract	Children's Services, Lifelong Learning & Skills	Peopletoo opportunity - Inclusion of options for children with disability respite and other contractual savings from re-commissioning	190	-	190	141	49	Commissioning resource constraints leading to delays in delivery of procurement exercises as was reliant on transformation funds to progress. Mitigation through PeopleToo negotiations on contract reductions

19,958 15,020 4,938 499 4,439

Member Portfolio	Executive Directorate	Service	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Children's Services, Lifelong Learning & Skills	People (Children)	People (Children)	Reduction in staffing (vacant post) and re-assigning of various tasks from the School Services area to other functions.	108	108	-		-	On track
Children's Services, Lifelong Learning & Skills	People (Children)	Education & Inclusion	Optimisation of current routes to provide efficiencies and longer term policy review to enable transformation of Slough (SBC) Passenger Travel and Transport (part year saving)	77	77	-		-	On track
Children's Services, Lifelong Learning & Skills	People (Children)	Early Years	Re-modelling Children's centres to reach a broader client group and look at opportunities for alternative use of some of the buildings to support early years provision.	456	179	277		277	Due to request to pause paper being submitted to Cabinet in July by commissioners, the timeline required to reach £456k savings by January 2023 has been significantly impaired. If the paper is submitted to Cabinet in October, full savings should be achieved by March 2024. £112k of the remaining £277k is expected to be achieved through Corporate Landlord rental income, not through savings achieved in People-Children. Forecast to March 2023 represent staff savings that were achieved in 2021/22 and are being used for the 2022/23 savings target.
Children's Services, Lifelong Learning & Skills	People (Children)	All	Removal of all supplies and services budgets across all remaining Children centres and Early Years provision.	99	99	-		-	On track
Children's Services, Lifelong Learning & Skills	People (Children)	People (Children)	Staffing reductions subject to Cabinet approval	306	306	-		-	On track
Children's Services, Lifelong Learning & Skills	People (Children)	People (Children)	Removal of Educational Psychology Grants Budget	63	63	-		-	On track
Children's Services, Lifelong Learning & Skills	Place & Community	Localities and Neighbourhoods	Library Services Remodelling	400	400	-		-	On track
Children's Services, Lifelong Learning & Skills	Place & Community	Community Learning (Adult Learning)	(Learning) Staffing Management	137	137	-		-	On track
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Staffing recruitment & retention strategies	935	-	935		935	Demand pressures are projecting Innovate teams to the end of the year and additional capacity to meet demands, reliant on transformation funds to progress
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	16-25 accommodation commission plan -4 procurement lots to develop local markets, meet sufficiency & needs for young people 16 - 25 years old. Reducing placement rates from existing providers. Delays in procurement impacting launch date and reducing saving target	313	154	159		159	Challenges on LOT 2 resulting in delay on savings, LOT 3 & 4 needing to go back out to tender due to difficulties in finding suitable accommodation in the market at affordable prices, savings delayed until later into 2022/23 / 23/24
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Income stream maximisation (incl PH)	1,955	1,553	402	279	123	Session set up with senior leaders across health, council and SCF to work through recommendations for working practices going forward. Analysis under way to identify current spend to attract PH and Health funding. Mitigation through additional Strengthening Families and COMF funding
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Slough Children First – AMZ local commissioned provision	238	218	20		20	Greater voids than budgeted due to safeguarding training needed with provided
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Independent Foster Allowance (IFA) carer recruitment	221	202	19		19	Progress being made, but targets behind profile
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Slough Children First – overhead cost savings	49	47	2		2	Small favourable variances against mileage due to more local provision of placements and in room hire offset by minor adverse variances in unit rate for printing

Member Portfolio	Executive Directorate	Service	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Savings from staffing restructures, includes recording & transcription of meetings to reduce the need for business support, deletion of 13 early help posts, merging services with the virtual school to delete 1 further post in early help, and efficiencies to be gained from merging o feedback office functions with the council.	744	300	444	79	365	A number of restructures in this initiative have been delivered, but resource constraints have delayed other corporate savings due to be delivered from council synergies and increased use of technology. Savings delivered in efficiencies delivered in NEET team, however targeted early help reductions cannot be deleted as posts essential for reducing demands on statutory services. Mitigation through reductions in S17 expenditure in statutory services following investment in Early Help
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Other commissioning opportunities	80	152	(72)		(72)	Savings in local residential provision delayed due to lack of commissioning resource & identification of housing options. Efficiencies in planned placements are expected to come in on line, training being delivered to new placement team for best practice approaches. Improvements on rates for UASC placements are delivering additional savings.
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Growth absorbed by company	(2,052)	(2,785)	733		733	Additional pressure from Legal due to demand and court delays.
Children's Services, Lifelong Learning & Skills	Slough Children First company	Children's Services Trust Contract	Peopletoo opportunity - Inclusion of options for children with disability respite and other contractual savings from re-commissioning	190	-	190	141	49	Commissioning resource constraints leading to delays in delivery of procurement exercises as was reliant on transformation funds to progress. Mitigation through PeopleToo negotiations on contract reductions
Council Recovery, Forward Strategy & Economic Development	Resources	Strategy & Improvement	Removal of posts never recruited to following previous re-structure	300	300	-		-	Saving already achieved
Customer Services, Procurement & Performance	Resources	Democratic Services	Increase income target for Schools appeals	10	10	-		-	Saving on track to be delivered
Council Recovery, Forward Strategy & Economic Development (Leader)	Resources	Democratic Services	Mayors Hire vehicle	8	8	-		-	Saving already achieved
Council Recovery, Forward Strategy & Economic Development (Leader)	Resources	Democratic Services	Printing budget (Mayors)	1	1	-		-	Saving already achieved
Council Recovery, Forward Strategy & Economic Development (Leader)	Resources	Corporate Operations	Elections – reduction in staffing to reflect the current post holders	14	14	-		-	Saving already achieved
Council Recovery, Forward Strategy & Economic Development (Leader)	Resources	Corporate Operations	Communications - Delete vacant posts and reduce events budget	83	83	-		-	Saving already achieved
Customer Services, Procurement & Performance	Place & Community	Business Support	Business Support Efficiencies - 75% reduction in staffing	431	431	-		-	On track - This is part of the Directorate restructure
Customer Services, Procurement & Performance	Resources	Business Support	Business Support Efficiencies - 75% reduction in staffing and reduction in usage of printing, postage and mobile costs in Counter Fraud team	108	108	-		-	Saving already achieved
Customer Services, Procurement & Performance	Resources	ICT	Professional subscriptions	5	5	-		-	Saving on track to be delivered
Customer Services, Procurement & Performance	Resources	ICT	ICT - decommissioning of equipment and contracts that are no longer needed.	360	360	-		-	Active work continues to deliver savings
Customer Services, Procurement & Performance	Resources	Finance & Commercial	Recommissioning and reviews of Procurement and Internal Audit contracts and reduction in number of posts	713	713	-		-	Work continues with RSM to endure full delivery of savings
Customer Services, Procurement & Performance	Resources	Customer Services	Customer service – reduced staffing and re-allocation of workload	38	38	-		-	Saving on track to be delivered

Member Portfolio	Executive Directorate	Service	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Customer Services, Procurement & Performance	Resources	Customer Services	Reduction of 5 customer service assistant posts	123	123	-		-	Saving on track to be delivered
Financial Oversight & Council Assets	Place & Community	Community	Cross Cutting - Voluntary reduced staffing hours; Fees & Charges; Rationalise vacancies following P2 restructure	(79)	(79)	-		-	On track
Financial Oversight & Council Assets	Place & Community	Place Strategy & Infrastructure	Rental Income for 2/3 floors of Observatory House	1,300	-	1,300		1,300	Not achievable. Mitigation is to accelerate disposal of Observatory House / broader disposals programme
Financial Oversight & Council Assets	Place & Community	All	Departmental Staffing restructure in line with development of Functional Capacity and Capability statement	1,737	1,737	-		-	On track - Multiple vacant posts in prevailing structure many of which are no longer needed and many of which are funded other than by the council fund. Titled and check savings should be carried out with
Financial Oversight & Council Assets	Resources	Building Management	To review and re-scope Building management contract requirements	225	225	-		-	will be achieved through consideration of all building management contracts. Highly dependent on asset disposal by Place in a timely manner
Financial Oversight & Council Assets	Resources	All	Cross department reduction in all budgets through management of vacancies and additional expenditure controls	350	350	-		-	Active work continues to deliver savings
Financial Oversight & Council Assets	Resources	Strategy & Improvement	Senior management structure	120	120	-		-	Saving on track to be delivered
Financial Oversight & Council Assets	Resources	Strategic Finance	External audit fee - reduction	150	150	-		-	Work continues to ensure savings are fully delivered
Financial Oversight & Council Assets	Resources	Finance & Commercial	Cross-cutting: Stretch target pro rata to Depts as agreed at Executive Board	89	89	-		-	Work continues to ensure savings are fully delivered
Financial Oversight & Council Assets	Place & Community	Asset Management (Corporate Buildings)	Energy costs budget pressure	(300)	(300)	-		-	Further pressure from Energy costs has been forecast and is being dealt with as a growth pressure
Financial Oversight & Council Assets	Place & Community	Place Strategy & Infrastructure	Regeneration - Income generation for Moxy Hotel	821	821	-		-	Achieved. Timing of payments may see this increase, this is being explored
Financial Oversight & Council Assets	Place & Community	All	Cross Cutting - Voluntary reduced staffing hours; Fees & Charges; Rationalise vacancies following P2 restructure	(154)	(154)	-		-	On track - Multiple vacant posts in prevailing structure many of which are no longer needed and many of which are funded other than by the council fund. Titled and check savings should be carried out with
Housing & Planning (Deputy Leader)	Place & Community	Place Management	Release and utilisation of S106 receipts	(50)	(50)	-		-	Achieved
Housing & Planning (Deputy Leader)	Place & Community	Place Strategy & Infrastructure	Delivery of the Local Plan (Reversal of 2020-21 Growth)/Restructure	332	332	-		-	Budget was given up on the basis that there will be no Local Plan. Subsequent to this an alternative initial budget of £500k has been found to fund the new Local Plan. A business case is being prepared as this will be insufficient.
Housing & Planning (Deputy Leader)	Place & Community	Accommodation	Restructure of temporary accommodation services, re-allocation of work across the Housing Department.	561	561	-		-	Saving needs to be found from proper allocation of the Homelessness Grant
Leisure, Culture & Community Empowerment	Place & Community	Localities and Neighbourhoods	Leisure Services – receipt of management fee from leisure contractor part year effect	745	216	529		529	This is part of the £1.6m Management Fee. Commercial negotiations have been concluded and agreed with Cabinet (18 July 2022) which results in a shortfall of £529k in 2022/23.
Leisure, Culture & Community Empowerment	Resources	Building Management	Community Centre - Increased Income	126	126	-		-	Work continues to ensure savings are fully delivered
Leisure, Culture & Community Empowerment	Place & Community	Localities and Neighbourhoods	Leisure - EA Management fee indexation	100	100	-		-	Achieved. This is a subset of the overall £1.6m Management Fee and dealt with as part of that Savings Target
Public Protection, Regulation & Enforcement	Place & Community	Place Regulation	Use PREVENT Reserve to fund Domestic Abuse and Exploitation Service for 1 year	(49)	(49)	-		-	Achieved
Social Care and Public Health	People (Adults)	People Adults Non-Group Manager	Joint protocol	500	500	-		-	
Social Care and Public Health	People (Adults)	People Adults Non-Group Manager	Provider services	854	854	-		-	
Social Care and Public Health	People (Adults)	People Adults Non-Group Manager	Adult Social Care - Financial Charging/Client Contribution	560	560	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Sharelives	205	205	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Direct Payment (DP) recoupment	150	150	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Virtual Review Team (Delivered)	120	120	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Focused Review Project	410	410	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Practice and Process Development	823	823	-		-	

Member Portfolio	Executive Directorate	Service	Savings Description	Savings 2022/23 £'000	Forecast to March 2023 £'000	Savings Gap	Recovery Actions / Mitigation £'000	Overall Savings Gap £'000	Comments on Action / Mitigation
Social Care and Public Health	People (Adults)	People (Adults)	Reablement Efficiencies	550	550	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Targeted Reablement Project	450	450	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Accommodation with Support	300	300	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Floating Support	48	48	-		-	
Social Care and Public Health	People (Adults)	People (Adults)	Better Care Fund (BCF) + BC Review additional	769	769	-		-	
Social Care and Public Health	People (Adults)	Business Support	Business Support Efficiencies - 75% reduction in staffing	161	161	-		-	
Transport & The Local Environment	Place & Community	Place Strategy & Infrastructure	Digital advertising (Street Advertising/Bus Shelter Advertising)	175	175	-		-	Partially achieved subject to a further retender. £50k will be achieved by other digital advertising
Transport & The Local Environment	Place & Community	Place Strategy & Infrastructure	Increased Parking Income	200	200	-		-	On target - Additional PCNs generated from Bus Lanes & Parking Enforcement
Transport & The Local Environment	Place & Community	Place Strategy & Infrastructure	Income from Car Park on TVU (reversal of prior year saving)	(100)	(100)	-		-	Achieved. Possible £50k upside as Car Park continued for 6 mths
Transport & The Local Environment	Place & Community	All	Additional income from re-procurement of Car Parking contract	102	102	-		-	On track - New Parking charges - cheaper contract costs
Transport & The Local Environment	Place & Community	All	Bulk Waste & Chalvey Weighbridge Charges additional income	132	132	-		-	On track - Additional charges applied at Weybridge
Transport & The Local Environment	Place & Community	Place	Street Cleansing - reduction in resources deployed and revised ways of working	400	400	-		-	On track
Transport & The Local Environment	Place & Community	Place	Grounds Maintenance – reduction in resources deployed, stopping of ad-hoc work, and revised ways of working	450	450	-		-	On track
Transport & The Local Environment	Place & Community	Place Strategy & Infrastructure	Bus station self financing	42	42	-		-	on track
Transport & The Local Environment	Place & Community	Place	Parks - Efficiencies and Service review	50	50	-		-	on track
Transport & The Local Environment	Place & Community	Place	Allotments – water charge levy	20	20	-		-	on track
Transport & The Local Environment	Place & Community	Place	Highways development Planning Performance Agreement fees	50	50	-		-	Planning Performance Agreements (PPAs) - research further to understand further upside
				19,958	15,020	4,938	499	4,439	

Project Name	Original Budget 2022/23	2021/22 Slippage	Original budget plus 21/22 Slippage	Reprofiled budget to be slipped or released	Revised Budget 2022/23	Full Year Projection	2022/23 Full Year Variance
	£000	£000	£000	£000	£000	£000	£000
People (Adults)							
Learning Disability Change Programme	22	(15)	7	0	7	0	(7)
Suitable Home Ownership for people with Learning Disabilities	331	(107)	224	0	224	224	0
Total People (Adults)	353	(122)	231	0	231	224	(7)
People (Children)							
Primary Expansions	172	0	172	0	172	172	0
Schools Modernisation Programme	1,200	0	1,200	300	900	900	0
SEN Resources Expansion	0	0	0	0	0	11	11
Special School Expansion-Primary,Secondary & Post 16	435	0	435	35	400	400	0
Secondary Expansion Programme	150	0	150	0	150	150	0
Schools Devolved Capital	80	0	80	0	80	80	0
323 High St/Haybrook	0	29	29	0	29	29	0
Total People Children	2,037	29	2,066	335	1,731	1,742	11
Place							
Domestic Wheeled Bins & Containers	40	0	40	0	40	40	0
Refuse fleet & Grounds Plant equipment	582	0	582	0	582	582	0
Urban Tree Challenge Fund	185	0	185	0	185	185	0
Disabled Facilities Grant	1,199	395	1,594	0	1,594	1,594	0
Compulsory Purchase Order Reserve	0	391	391	0	391	391	0
Loan to GRE5-for Nova House remedial work	8,500	0	8,500	0	8,500	8,500	0
Local Sustainable Transport Fund	188	0	188	188	0	0	0
LTP Implementation Plan	211	0	211	211	0	0	0
LED Upgrade	103	0	103	0	103	103	0
Colnbrook By-pass	115	0	115	0	115	115	0
Flood Defence (Sponge City)	1,493	0	1,493	493	1,000	1,000	0
Zone 1 - Sutton Lane Gytratory (MRT)	3,800	0	3,800	0	3,800	3,800	0
Zone 2 - Foxborough (MRT)	980	0	980	0	980	980	0
Zone 3 - Park & Ride (MRT)	4,689	0	4,689	4,689	0	0	0
Zone 4 - Stoke Road (Stoke Rd TVU junction)	6,229	0	6,229	3,729	2,500	2,500	0
Zone 5 - Slough Station (Stoke Rd)	2,950	0	2,950	2,950	0	0	0
Zone 7 - Off Road Cycle Route (Stoke Rd)	150	0	150	0	150	150	0
Burnham Station LEP	50	0	50	0	50	0	(50)
Langley High Street Improvements LEP	3,788	(979)	2,809	0	2,809	2,809	0
A4 Safer Roads	1,711	0	1,711	1,511	200	200	0
Electric Vehicle Network	157	0	157	157	0	0	0
Carbon Management - Public Sector Decarb. Scheme	0	619	619	0	619	479	(140)
Car Club	100	0	100	100	0	0	0
Major Highways Programmes	134	0	134	134	0	0	0
Capital Works following Stock Condition Survey	500	237	737	0	737	737	0
Hub Development	50	997	1,047	0	1,047	1,047	0
Thames Valley University Site	0	104	104	0	104	104	0
Development Old Library Site	0	185	185	0	185	505	320
St Martins Place	0	20	20	0	20	20	0
Reading Archives - Extension (SBC Contribution)	200	0	200	0	200	200	0
Community Investment Fund-Cabinet	0	0	0	0	0	25	25
Traffic Signals Maintenance Grant	500	(25)	475	0	475	475	0
Leisure Centre Farnham Road	100	0	100	0	100	100	0
Cemetery Extension	80	127	207	0	207	117	(90)
Total Place	38,784	2,071	40,855	14,162	26,693	26,758	65
Corporate Operations (COO)							
IT Infrastructure Refresh *	2,085	0	2,085	2,085	0	0	0
Total Corporate Operations (COO)	2,085	0	2,085	2,085	0	0	0
Finance and Commercial							
Contingency	2,000	0	2,000	2,000	0	0	0
Total Finance & Commercial	2,000	0	2,000	2,000	0	0	0
TOTAL GENERAL FUND CAPITAL	45,259	1,978	47,237	18,582	28,655	28,724	69

To be treated as revenue in 2022/23 and so released - IT infrastructure refresh
Amount of slippage into 2023/24

(2,085)

16,497

This page is intentionally left blank

HRA Fund Capital Expenditure Tracker 2022/23

Period 4 Forecast

Description	Original Budget 2022/23 £000	Slippage From 2021/22 £000	Original budget plus 21/22 Slippage £000	Budget to be slipped to future years £000	Revised Budget 2022/23 £000	Full Year Forecast 2022/23 £000	Full Year Variance 2022/23 £000
RMI Capital Programme							
Boiler Replacement and heating	197	250	447	-	447	355	(92)
Kitchen & Bathroom Replacement	282	196	478	-	478	750	272
Electrical Systems	195	-	195	-	195	400	205
Garage & Environmental Improvements	796	289	1,085	-	1,085	700	(385)
Capitalised Repairs	200	222	422	-	422	422	-
FRA & Asbestos Removal Works (bring forward	1,884	-	1,884	-	1,884	1,884	-
Major Aids & Adaptations	572	119	691	-	691	691	-
Decarbonisation Works	-	100	100	-	100	100	-
Windows Replacement							
RMI Capital Programme	4,126	1,176	5,302	-	5,302	5,302	-
Planned Maintenance Capital							
Windows and Door Replacement	181		181	-	181	181	-
Roof Replacement	513	283	796	-	796	796	-
Structural	59	56	115	-	115	115	-
Security & Controlled Entry Modernisation	388	378	766	-	766	766	-
Capitalised voids	60		60	-	60	60	-
RMI Remodelling and Investment	-		-	-	-	-	-
Rochford Hostel							
Planned Maintenance Capital	1,201	717	1,918	-	1,918	1,918	-
Affordable Homes							
Tower and Ashbourne	16,000	(168)	15,832	(13,332)	2,500	2,500	-
Affordable Homes	784	2,258	3,042	(2,042)	1,000	1,000	-
Total Affordable Homes	16,784	2,090	18,874	(15,374)	3,500	3,500	-
HRA GRAND TOTAL	22,111	3,983	26,094	(15,374)	10,720	10,720	-

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL
HRA Income and Expenditure Statement
Period 4 Forecast

APPENDIX E

Income/Expenditure Category	2022/23		
	Current Budget £'000	Forecast Outturn £'000	Full Year Variance £'000
Expenditure			
Repairs and Maintenance	10,070	10,467	397
Supervision and Management	9,763	9,850	87
Rents, Rates, Taxes and Other Charges	521	1,387	866
Provision for doubtful debt	4,838	1,338	(3,500)
Interest payable and similar charges	6,219	4,760	(1,459)
Capital grants and contribution	5,201	-	(5,201)
Depreciation, Impairment and Revaluation losses of non-current assets	8,717	8,717	-
Total HRA Expenditure	45,329	36,518	(8,811)
HRA Income			
Dwellings Rents	(32,788)	(32,788)	-
Non-dwellings Rents	(1,535)	(1,535)	-
Charges for Services and Facilities	(2,428)	(2,428)	-
Contributions towards Expenditure	(321)	(321)	-
HRA Investment Income	(24)	(24)	-
Total HRA Income	(37,095)	(37,095)	-
(Surplus) or deficit for the year on HRA services	8,234	(577)	(8,811)

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL
Maintained Schools - Forecast Balances 2022/23
Period 4 Forecast

Appendix F

School	Phase	Opening Balance	Expenditure	Income	Estimated c/fwd
		£'000	£'000	£'000	£'000
Baylis Court Nursery School	Nursery	(140)	563	589	(115)
Chalvey Nursery School	Nursery	(147)	521	503	(165)
Cippenham Nursery School	Nursery	202	-	-	202
Lea Nursery School	Nursery	72	603	627	97
Slough Centre Nursery	Nursery	(165)	605	508	(262)
Claycots School	Primary	3,665	11,100	8,862	1,427
Holy Family Catholic Primary School	Primary	98	2,521	2,453	30
Iqra Slough Islamic Primary School	Primary	312	3,403	3,318	227
Our Lady of Peace Catholic Primary and Nursery School	Primary	91	2,718	2,522	(105)
Penn Wood Primary and Nursery School	Primary	262	4,612	4,360	11
Pippins School	Primary	88	1,050	1,031	69
Priory School	Primary	1,239	5,890	5,265	614
St Mary's Church of England Primary School	Primary	385	3,801	3,582	166
Wexham Court Primary School	Primary	1,607	3,724	3,748	1,631
St Bernard's Catholic Grammar School	Secondary	628	6,472	6,242	399
Wexham School	Secondary	1,356	7,461	7,343	1,238
Totals		9,555	55,043	50,953	5,465

This page is intentionally left blank

PROJECT NAME	Revised Budget 2021/22	Actual Expenditure	Variance	Slippage/Carry Forward Requested
	£000	£000	£000	£000
Care Act: Social Care IT Developments	61	80	19	0
Learning Disability Change Programme	877	891	15	15
Autism Capital Grant	6		(6)	
Suitable Home Ownership for People with Learning Disability	4	111	107	107
Total People (Adults)	948	1,083	135	122
Primary Expansions	23	26	3	
Schools Modernisation Programme	298	0	(118)	
SEN Resources Expansion	82	72	(11)	
Special School Expansion-Primary,Secondary & Post 16	116	21	(95)	
Secondary Expansion Programme	60	45	(15)	
Schools Devolved Capital	111		(111)	
323 High St/Haybrook	30		(30)	(29)
Total People Children	720	344	(376)	(29)
Langley Leisure Centre	0	(5)	(5)	
Salt Hill Leisure	0	(2)	(2)	
Leisure Centre Farnham Road	50	(1)	(51)	
Parks & Open Spaces	321	309	(12)	
Cemetery Extension	775	648	(127)	(127)
CCTV	0		0	
Allotment Improvement Project	0	2	2	
Total Customer & Community	1,146	950	(196)	(127)
Manor Park Hall & Community Centre Refurbishment	9	9	(0)	
Fire Risk Assessment Works	31	42	11	
Purchase of new Corporate HQ	371	371	0	
Domestic Wheeled Bins & Containers	0	29	29	
Urban Tree Challenge Fund	151	93	(58)	
Disabled Facilities Grant	1,050	655	(395)	(395)
Compulsory Purchase Order Reserve	927	536	(391)	(391)
Loan to GRE5-for Nova House remedial work	7,000	5,197	(1,803)	
Local Sustainable Transport Fund	188		(188)	
A332 Windsor Road Widening Scheme LEP/Other	0	7	7	
LTP Implementation Plan	261	43	(218)	
LED Upgrade	163	84	(79)	
Bridge Capital Works	551	577	26	
Flood Defence (Sponge City)	20	15	(5)	
Zone 1 - Sutton Lane Gyratory (MRT)	2,425	(240)	(2,665)	
Zone 2 - Foxborough (MRT)	980	2,638	1,658	
Zone 3 - Park & Ride (MRT)	0	81	81	
Zone 4 - Stoke Road (Stoke Rd)	1,000	22	(978)	
Zone 5 - Slough Station (Stoke Rd)	1,500	1,114	(386)	

PROJECT NAME	Revised Budget 2021/22	Actual Expenditure	Variance	Slippage/Carry Forward Requested
	£000	£000	£000	£000
Zone 6 - Wexham (Stoke Rd)	0	(51)	(51)	
Zone 7 - Off Road Cycle Route (Stoke Rd)	0	5	5	
Burnham Station LEP	0	1	1	
Langley Station LEP	0	(25)	(25)	
Langley High Street Improvements LEP	1,000	1,979	979	979
A4 Cycle	0	1	1	
A4 Safer Roads	100	22	(78)	
Air Quality Monitoring	32	0	(32)	
Electric Vehicle Network	50		(50)	
Carbon Management-Fleet Challenge	2	2	0	
Carbon Management - Public Sector Decarb. Scheme	1,100	481	(619)	(619)
Re-fit Programme	78	59	(19)	
Environmental Initiatives - Match Funding	0		0	
Highways Maintenance Annual Programme	296	178	(118)	
Major Highways Programmes	350	52	(298)	
Minor Highway Pavements & Street Improvement	12	12	(0)	
Capital Works following Stock Condition Survey	1,500	1,263	(237)	(237)
Herchel Car Park Refurbishment	0		0	
Asbestos Removal (GF)	90		(90)	
Hub Development	3,200	2,203	(997)	(997)
Demolitions	4	4	(0)	
Thames Valley University Site	233	0	(233)	(104)
Strategic Acquisition fund	273	273	0	
Development Old Library Site	489	304	(185)	(185)
Refurbishment of 32 Chalvey Road East	2	2	(0)	
St Martins Place	168	51	(117)	(20)
Cultural Infrastructure	22	22	0	
Community Investment Fund	126	126	(0)	
Community Investment Fund-Cabinet	25	25	0	
Traffic Signals Maintenance Grant		25	25	25
Place	25,779	18,288	(7,492)	(1,944)
Management Information Centre	0	29	29	
IT Infrastructure Refresh	2,378	1,720	(658)	
Corporate Operations	2,378	1,749	(629)	0
Contingency	6,582		(6,582)	
Finance and Resources	6,582	0	(6,582)	0
General Fund Total	37,553	22,414	(15,140)	(1,978)

General Fund projects proposed to be slipped to 2023/24

APPENDIX Gii

Project Name	Original Budget 2022/23	2021/22 Slippage Proposed	Original budget plus 21/22 Slippage	Proposed budget to be slipped	Revised Budget 2022/23	Full Year Projection	2022/23 Full Year Variance	Comments
	£000	£000	£000	£000	£000	£000	£000	
Schools Modernisation Programme	1,200	0	1,200	300	900	900	0	The new programme of works to be funded by 2022/23 grant is expected to be agreed by August 2022. The timing of the agreement will impact on the delivery of the project in 22/23
Special School Expansion-Primary,Secondary & Post 16	435	0	435	35	400	400	0	£35K not required in this financial year based on forecast. To be slipped into 23/24
Local Sustainable Transport Fund	188	0	188	188	0	0	0	Entire budget to be slipped to 23/24 as the project would not commence this year
LTP Implementation Plan	211	0	211	211	0	0	0	Entire budget to be slipped to 23/24 as the project would not commence this year
Car Club	100	0	100	100	0	0	0	Entire budget to be slipped to 23/24 as the project would not commence this year. Not enough S106
Major Highways Programmes	134	0	134	134	0	0	0	Entire budget to be slipped to 23/24 as the project would not commence this year
Flood Defence (Sponge City)	1,493	0	1,493	493	1,000	1,000	0	Budget / forecast reprofiled downward as the full budget is unlikely to be fully spent
Zone 3 - Park & Ride (MRT)	4,689	0	4,689	4,689	0	0	0	Budget / forecast reprofiled to nil. Currently working on an alternative project as the Park & Ride is not going ahead
Zone 4 - Stoke Road (Stoke Rd TVU junction)	6,229	0	6,229	3,730	2,500	2,500	0	The project is starting later than planned hence the slippage into 23/24. Budget and forecast further profiled downwards to £2.5m
Zone 5 - Slough Station (Stoke Rd)	2,950	0	2,950	2,950	0	0	0	Entire budget to be slipped to 23/24 as the project would not commence this year
A4 Safer Roads	1,711	0	1,711	1,511	200	200	0	Programme design delays resulting in slippage
Electric Vehicle Network	157	0	157	157	0	0	0	Project not viable without grant funding so slippage to 23/24 is necessary
Contingency	2,000	0	2,000	2,000	0	0	0	The contingency is not expected to be called upon so is being slipped, but may be pulled forward if necessary
Total				16,498				

This page is intentionally left blank

PROJECT NAME	Revised Budget 2021/22	Actual Expenditure	Variance	Slippage/Carry Forward Requested
	£000	£000	£000	£000
Brooms & Poplar Fire Compliance Upgrade Works	0	150	150	
Boiler Replacement and heating	1,072	457	(615)	(250)
Kitchen & Bathroom Replacement	290	94	(196)	(196)
Electrical Systems	120	307	187	
Garage & Environmental Improvements	453	164	(289)	(289)
Capitalised Repairs	240	18	(222)	(222)
FRA & Asbestos Removal Works	3,300	3,328	28	
Major Aids & Adaptations	400	281	(119)	(119)
Decarbonisation Works	100		(100)	(100)
RMI Capital Programme	5,975	4,799	(1,176)	(1,176)
Windows and Door Replacement	100	97	(3)	
Bathroom replacement	0	7	7	
Additional Establishment Costs	0	82	82	
Roof Replacement	696	339	(357)	(284)
Structural	484	15	(469)	(56)
Security & Controlled Entry Modernisation	883	505	(378)	(378)
Capitalised voids	60	65	5	
RMI Remodelling and Investment	0	393	393	
Rochford Hostel	0	5	5	
Planned Maintenance Capital	2,223	1,506	(717)	(717)
Tower and Ashbourne	400	568	168	168
Affordable Homes	3,903	1,645	(2,258)	(2,258)
Affordable Homes	4,303	2,213	(2,090)	(2,090)
HRA Fund Total	12,501	8,518	(3,983)	(3,983)

This page is intentionally left blank

HRA projects proposed to be slipped to 2023/24

APPENDIX Hii

Description	Original Budget 2022/23	2021/22 Slippage Proposed	Original budget plus 21/22 Slippage	Proposed budget to be slipped	Revised Budget 2022/23	Full Year Projection	2022/23 Full Year Variance	Comments
	£000	£000	£000	£000	£000	£000	£000	
Affordable Homes								
Tower and Ashbourne	16,000	(168)	15,832	13,332	2,500	2,500	0	£13.332m is to be slipped to 23/24. The 2021/22 original budget of £10m was reprofiled to £0.4m. The delay on this project is due to the CPO being actioned in order to get a vacant possession
Affordable Homes	784	2,258	3,042	2,042	1,000	1,000	0	£2.042m to be slipped to 23/24. Delays due to enabling works being undertaken
Total Affordable Homes	16,784	2,090	18,874	15,374	3,500	3,500	0	

This page is intentionally left blank

	Approved Budget	Virements - Transfers of staff	Rounding	Virements - Transfers of CD budget	Separation of Resources	Amended Budget
Directorate	£'000	£'000	£'000	£'000	£'000	£'000
People (Adults)	28,441					28,441
People (Children)	7,725	27	2			7,754
Slough Children First Contract	31,436		(1)			31,435
Place	11,516		(1)			11,515
Resources	27,248	(27)		1,852	(29,073)	-
COO					20,286	20,286
Finance & Commercial					8,787	8,787
Total Service Budgets	106,366	-	-	1,852	-	108,218
Other Corporate Budgets	46,234		1	(1,852)		44,383
Pension Deficit	5,014					5,014
Minimum Revenue Provision	32,100					32,100
Capital Financing	1,937					1,937
Total Corporate Budgets	85,285	-	1	(1,852)	-	83,434
Total Expenditure	191,651	-	1	-	-	191,652

Virements as follows:

- £27k to move one post originally assumed to be in Resources across to the Children's directorate.
- £500k relating to capitalisation Agresso support (residual of a £1m CD adjustment to fully allocate)
- £1.1m relating to the creation/topping up of insurance reserves/provisions
- £252k difference on historical budgets (residual of CD adjustment to be fully allocated)
- £29.073m budget for Resources subsequently subdivided into Chief Operating Officer and Finance & Resources

Overall, the aggregate of all expenditure budgets remain the same as approved at Council in March 2022.

It is also proposed that various virements are undertaken within directorates in order to realign budgets closer to how activity is now experienced on both income and expenditure. This will be done on a "net nil" basis whereby adjustments are made without changing the overall bottom line budget for a directorate. This will be done in consultation with EDs but due to the complex detail this may involve it is not proposed to bring these to Cabinet. The financial process regulations are being refined to reflect this approach and the updated regulations will be brought to Cabinet in due course.

This page is intentionally left blank

Executive Directorate	Savings Description	Original Savings 2022/23 £'000	Changes £'000	Revised Savings 2022/23 £'000	Comments
People (Adults)	Provision Changes - Cost Avoidance	692	(692)	-	
People (Adults)	Diversion at front door	131	(131)	-	
People (Adults)	Practice and Process Development	-	823	823	Combines two above
People (Adults)	Target cost -op residential	97	(97)	-	Rescoped as set out below
People (Adults)	Target cost	1,400	(1,400)	-	Rescoped as set out below
People (Adults)	Shared Lives	150	55	205	From above
People (Adults)	Reablement Efficiencies	-	550	550	From above
People (Adults)	Targeted Reablement Project	-	450	450	From above
People (Adults)	Accommodation with Support	-	300	300	From above
People (Adults)	Provision change - actual cost	40	(40)	-	
People (Adults)	LD Residential	78	(78)	-	
People (Adults)	LD Nursing	60	(60)	-	
People (Adults)	Focused Review Project	-	410	410	Replaces above items, on track
People (Adults)	Continuing Health Care (CHC) - replaced with Virtual Review team	120	(120)	-	Redistributed
People (Adults)	Joint protocol	150	350	500	Increased target to cover others
People (Adults)	Adult Social Care - Financial Charging/Client Contribution	1,000	(440)	560	Reduced target
People (Adults)	Virtual Review Team (Delivered)	-	120	120	On track
People (Adults)	Floating Support	48	-	48	On track
People (Adults)	Better Care Fund (BCF) + BC Review additional	769	-	769	On track
People (Adults)	Direct Payment (DP) recoupment	150	-	150	Delivered
People (Adults)	Provider services	854	-	854	Delivered
People (Adults)	Business Support Efficiencies - 75% reduction in staffing	161	-	161	Delivered
		5,900	-	5,900	

Comments on the above

2021/22 Programme Context

Adult Social Care Transformation Programme 2021/22 yielded £2,393k of benefit against a target of £2,088k, an over-delivery of £305k. Some projects were attempted but did not deliver savings or benefits as originally planned or described. In response to this, effort and resource was prioritised accordingly, into reframing some aspects of the programme. This is a typical outcome for a large, complex transformation programme.

2022/23 Programme

Following the 2021/22 programme, a thorough lessons learned and re-scoping exercise was undertaken

This has led to some changes such as:

- Increased targets where greater-than-expected benefit was delivered
- Consolidation of small isolated targets into a more coherent strategic approach
- Identifying further opportunities for increased independence where possible

The original savings programme has not changed in value, and £5.9m is still the 2022/23 programme target

This page is intentionally left blank

MEMBERS' ATTENDANCE RECORD 2022/23
OVERVIEW AND SCRUTINY COMMITTEE

COUNCILLOR	16/06/22 (Note: Scrutiny Training & Work Programming held, not a formal meeting)	14/07/22	15/09/22 Cancelled	17/11/22	12/01/23	23/02/23	16/03/23
Gahir (Chair)	-	P					
Matloob (Vice-Chair)	-	P					
Akbar	-	P					
Bal	-	P					
Basra	-	P					
Kaur	-	P					
M Malik	-	P					
S Malik	-	P					
Strutton	-	P					

P = Present for whole meeting P* = Present for part of meeting Ap = Apologies given Ab = Absent, no apologies given

* The formal Committee meeting scheduled on 16th June 2022 was not required as all Panel appointments had been made at Annual Council in May 2022. The session was used as an all scrutiny training and work programming event.

This page is intentionally left blank