

Overview & Scrutiny Committee – Meeting held on Thursday, 13th October, 2022.

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

Also present under Rule 30:- Councillors Anderson, Hulme and Nazir

Apologies for Absence:- Councillor

PART I

7. Chair's Statement

At the commencement of the meeting the Chair of the Committee provided an update on the progress that had been made to strengthen Slough's scrutiny function and the next steps as part of the improvement programme.

It was noted that scrutiny training had been carried out for both Members and officers and further training was planned later in the year with the support of the Centre for Governance & Scrutiny. A new and experienced Statutory Scrutiny Officer had been appointed and the current year's budget included provision to recruit to the post of scrutiny officer, which had been deleted in a previous restructure.

The Chair stated that the Centre for Governance & Scrutiny review of Slough, which had started at the beginning of the year, would report soon and the recommendations would come to the next meeting of the Committee along with a report from officers on the next steps to implement the review and make the necessary improvements to scrutiny as set out in the Secretary of State's Directions to the Council.

In the meantime, a significant amount of work was taking place to refocus the current scrutiny committee and panels towards task and finish group activity aligned to key areas of the Council's recovery and improvement programme. Three task and finish groups would initially be established and they would report back to their respective committee or panel. Budget scrutiny would be further strengthened with all 2023/24 savings proposals coming to scrutiny at the end of November or early December.

The Chair reiterated his commitment to the improvement of the scrutiny function of the Council, which would require proactive support from both Members and senior officers, and that he would keep the Committee updated as the work progressed.

Resolved – That the Chair's statement be noted and that the report of the Centre for Governance & Scrutiny be received at the next meeting of the Committee.

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8. Declarations of Interest

Councillor Bal declared that his daughter worked for Slough Borough Council.

9. Minutes of the Last Meeting held on 14th July 2022

Resolved – That the minutes of the meeting held on 14th July 2022 be approved as a correct record.

10. Member Questions

No Member Questions had been submitted.

11. Financial Action Plan Report

The Lead Member for Financial Oversight & Council Assets and the Executive Director of Finance & Commercial introduced a report and answered questions from the Committee regarding the latest version of the Financial Action Plan.

The plan updated on the key areas of the work undertaken to respond to the many and very serious financial challenges and recommendations made by external agencies. A comprehensive summary of the report was given to the Committee including on the current position of the capitalisation direction, asset disposal strategy, accounts, borrowing, Minimum Revenue Provision (MRP), Dedicated Schools Grant and the key risks and assumptions underpinning the financial strategy.

The financial strategy was founded on the sale of assets to reduce borrowings and MRP/interest costs, and reducing net expenditure through savings. The Committee was informed that positive progress was being made, however the financial position remained very challenging and would require continued delivery of savings targets and asset sales. If disposals could be made earlier than planned that would help the overall position significantly by reducing borrowing costs and risks, which was particularly important at a time when interest rates were expected to rise sharply from the low levels of recent years.

The assumptions that underpinned the figures were summarised and the key risks and pressures were discussed including pay inflation and contract inflation. Good progress was being made overall in responding to the various external recommendations with 50 of the 74 already completed and the others on track.

It was estimated that the overall capitalisation direction could be reduced from a potential total of £782m to £369m. The improvement was due to several factors including improved and accelerated asset sales leading to earlier financing and reductions in MRP profiling, together with improvements to the collection fund, council tax and funding settlement figures. Members asked a number of questions about the improved position, including whether the

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revised figures were robust and whether the savings and disposals remained deliverable, particularly given the fact there had been some slippage in achieving the agreed savings in the current year. The Executive Director said the financial strategy was deliverable but emphasised that the position remained very challenging and would require the delivery of a high level of savings over the coming years and asset sales in excess of £300m. In response to a question about the process for implementing savings plans it was noted amongst the measures in place officers carried out 'challenge reviews' with departments to test each savings proposal and seek to identify non-delivery early to take the appropriate action to get the saving back on track or find alternative savings. Concerns were raised about the 22% slippage in savings delivery in 2022/23 and questions were asked about the reasons for this and action being taken. It was responded that a significant amount of work was being done with departments to ensure savings plans robust and achievable. It was a normal part of financial management to manage a savings programme with variances during the year, but the key point was that where a saving could not be delivered it should be replaced by an alternative saving.

Senior officers from each of the directorates were present and they were asked for their views on the progress of the savings programme and how future improvements could be made. Officers highlighted the processes were now much more rigorous with detailed business cases, risk analysis and delivery plans for each saving that were tested and challenged before being agreed.

The Committee discussed the current position regarding the asset disposal programme and Members asked about the approach that would be taken to minimise any service impacts. The Lead Member highlighted that the Asset Disposal Strategy would be considered by Cabinet in the next week and it set out the sequence by which assets would be disposed of in a phased approach starting with the out of borough assets and other non-operational assets where there would not be any service impact. Future phases would include operational assets and proper consideration would be given to whether the service was still required and, if it was, how it could be delivered in a different way.

A number of specific questions were raised about departmental savings such as CCTV; the anticipated funding settlement from central government; and the recruitment of staff in certain areas to ensure key services would continue to be delivered to residents. Members raised some concerns about the fact that the digitisation of council services was a barrier to some residents and that communication and engagement was key. A new Associate Director had recently been recruited to lead on resident engagement and part of the investment in IT was to improve access.

Members asked about the future scrutiny arrangements for the report. The Financial Action Plan update report would continue to be brought to each Council meeting so that progress was clearly tracked and reported. The

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Committee could consider scrutiny of specific aspects of the plan where it could contribute to the recovery and improvement programme.

At the conclusion of the questions and discussion the report was noted.

Resolved – That the Financial Action Plan be noted.

12. Financial Update Report - 2022/23

The Executive Director of Finance & Commercial introduced a report that set out the financial monitoring position for the 2022/23 year as at the end of July 2022.

Senior Officers from each of the directorates were present to answer questions from Members about specific departmental and services issues.

The overall forecast year-end position for the General Fund, taking account of use of all capitalisation directions amendments, was a fully balanced position. However, there was an overspend of £7.6m across service areas including a shortfall on in-year savings of £4.4m against a total target of £20m. This included the loss set out in the Slough Children First company business plan. An additional provision of £4.4m had been made for cost of living and inflation pressures over and above what was allowed in the 2022/23 budget. The Committee noted the updated position on Dedicated Schools Grant and the Housing Revenue Account.

Members were concerned about the shortfall in savings delivery at that point in the year and asked if there had been any improvement in the position since the end of July. The Director commented that the Month 6 report would be produced shortly and be received by Cabinet in November. The committee challenged the robustness of the assumptions behind the figures and it was responded whilst officers were confident the report presented reflected all the identified risks at the time, it was likely new risks and opportunities would emerge. Improved risk management practice and register was now in place and regularly reported to the Audit & Corporate Governance Committee.

Members asked each of the senior officers present questions about the delivery of savings plans within their services areas. The Committee welcomed the fact that People (Adults) was on track to deliver its savings target this year and Members asked about how that had been achieved and whether there was any learning that could be shared across the Council. The Acting Executive Director for People (Adults) stated that the savings target was challenging but that a well-managed transformation programme was in place and the external support provided by PeopleToo had been important in achieving savings targets.

It was noted that Slough Children First (SCF) was reporting a forecast loss of £5.2m based on the July version of their business plan. Members questioned the underlying reasons for the continued losses made by the Trust and now the company. The SCF Finance Director explained the position and

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highlighted that demand for services was high and rising. Many of the pressures on children's social care were national, including workforce shortages which led to the high cost of agency staff. Plans were being developed on a new early help model to try reduce demand but this was an invest to save activity that would require funding from the Council.

In relation to the Place directorate Members asked about the unachieved income target for leasing space at Observatory House. The Executive Director for Place & Community explained that there had been interest in leasing space at the time the savings proposal was included in the budget but this had not materialised and the options for Observatory House would be included as part of the asset disposal programme. Other matters raised included how the Council was seeking to minimise energy costs and assurance was provided that energy had been purchased until the end of March which would provide some protection against the rapidly rising prices.

During the course of the discussion on both finance items several members of the committee had commented on importance of supporting residents and the following recommendation was therefore proposed by Councillor Gahir and seconded by Councillor Bal:

“Bring back the corporate complaints and democratic services resource to handle member casework as was previously done.”

The proposal was agreed by the committee.

In relation to financial monitoring scrutiny the committee agreed that the report contained a lot of assumptions which were dependent on a number of key issues and there has been a shortfall against saving targets. The report referred to the fact that the Cabinet, auditors and commissioners expected regular reports to evidence progress made and the following was therefore proposed by Councillor Matloob and seconded by Councillor Kaur:

- *“These reports come to scrutiny too at the same time.*
- *If needed, we arrange extraordinary scrutiny meetings or direct meetings with the Executive Director of Finance and Commercial & relevant cabinet member to review key issues & examine savings plans to ensure they are robust.*
- *Better timely detail shared to scrutiny on the assets being put forward for disposal.”*

This proposal was agreed by the committee.

The Chair thanked the Lead Member, Executive Directors and other officers for their contribution to the meeting.

Resolved –

- (a) That the report be noted.

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- (b) That the following be recommended to the executive to seek to improve the support to residents:

“Bring back the corporate complaints and democratic services resource to handle member casework as was previously done.”

- (c) That the following be agreed in relation to future scrutiny of financial monitoring and plans provided to cabinet, the auditors and commissioners:

- *“These reports come to scrutiny too at the same time.*
- *If needed, we arrange extraordinary scrutiny meetings or direct meetings with the Executive Director of Finance and Commercial & relevant cabinet member to review key issues & examine savings plans to ensure they are robust.*
- *Better timely detail shared to scrutiny on the assets being put forward for disposal.”*

13. Attendance Record

Resolved – That the record of Members’ attendance be noted.

14. Date of Next Meeting - 17th November 2022

The next meeting of the committee was scheduled for 17th November 2022.

However, the Chair stated that this meeting may need to be moved to 1st December, or that an additional meeting be held on this date, to carry of scrutiny of the 2023/24 savings proposals. Members confirmed their agreement in principle to change the date or add a further meeting on 1st December 2022 if required.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.36 pm)