

**Minutes of the Finance Board
Thursday 20 April 2023 at 9-11.30am**

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Council Chambers, Ground Floor Observatory House / Microsoft Teams**

Attendees:

Commissioners:

Sean Nolan – Interim Finance Commissioner

Members:

Cllr James Swindlehurst – Council Leader (Deputy Chair) and Lead for Council Recovery, Forward Strategy & Economic Development

Cllr Rob Anderson – Lead for Financial Oversight & Council Assets (remote)

Cllr Zaffar Ajaib - Lead for Customer Services, Procurement and Performance

Officers:

Stephen Brown, Chief Executive and Head of Paid Services,

Adele Taylor – Executive Director of Finance and Commercial Services and S151 Officer

Patrick Hayes – Executive Director Housing, property & Planning

Marc Gatsby – Executive Director, People - Adults

Sue Butcher – Executive Director, Children’s Services

Richard West – Executive Director, Place & Communities,

Secretariat:

Nasreen Brittain – Executive Assistant to the Commissioners (minutes)

Lucy Storr – DLUHC – Local Government Interventions (remote)

Apologies:

Gavin Jones – Commissioner (Chair)

Claire Willerton - Chief of Staff to the Commissioners

Cllr Pavitar Mann – Lead for Housing and Planning, Cllr Natasa Pantelic – Lead for Social Care and Public Health

Cllr Nazir Mohammed – Lead for Transport and the Local Environment

Cllr Balvinder Bains – Lead for Public Protection, Regulation and Enforcement

Cllr Sabia Akram – Lead for Leisure, Culture & Community Empowerment

Steve Muldoon – Deputy Director Financial Management (Interim)

Sarah Hayward – ED Strategy & Improvement

Stephen Taylor – Monitoring Officer

Cllr Christine Hulme – Lead for Children’s Services, Lifelong Learning and Skills

Cllr Dexter Smith – Leader of the Opposition

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Minutes

1. Welcome and Declaration of Interests (Sean Nolan)

No declarations expressed.

2. Minutes and Actions of the March Finance Board

Minutes noted for Finance Board approved. Action log updated.

3. Finance Update (Adele Taylor)

3.1. Delivery of Agreed Saving 2023/24

3.1.1. Budget monitoring and tracker to become 'business as usual' going forward. Monthly monitoring will start in month two and go to CLT. Formal quarterly monitoring will be prepared for cabinet. Q1 financial health matters, CT collection and business rate collection, debtor profiling etc. Pat Hayes and Adele have agreed a process for monitoring the asset sale programme, this will be on a weekly basis to check progress.

3.1.2. For each saving there was a detailed delivery plan, want to streamline this into one document. All business managers are attending DLTs. Adele confirmed it is a holding pattern for this board meeting.

3.1.3. Sean wanted further assurance in the process. Wanted to see what the management sheet looked like, that every saving had an 'owner', rag ratings and dates were some examples of that process. Was looking for something less theoretical. Achieving the balanced budget – needed to show how directorates were monitoring this. Looking for reassurance from Finance Team.

Action Adele Taylor: to do a specific run-through re the assurance process and product for budget monitoring at the Finance Board in May.

3.1.4. Success would be the Council delivering to its budget.

3.1.5. Stephen Brown commented that the new portfolios would need to be bedded in.

3.1.6. Cllr Rob Anderson commented that the budget process had achieved the most member involvement and challenge of internal scrutiny from recent years. The next challenge would be the delivery of this.

3.2. Outturn Monitoring Process

3.2.1. Final report at July cabinet – planning underway to deliver to this timescale

3.2.2. Interim reporting May CLT and Finance Board - will be high level overview of outturn and not full detail. Will indicate work that is still ongoing.

3.2.3. Draft statement of accounts end of May to hit statutory deadline, although this would be without finalisation of prior years' accounts

3.2.4. Currently Finance team are working directly with service areas to finalise positions at service level, however it was too early to gather an overall view at this time of outturn.

3.2.5. Significant number of grant and corporate returns due were all currently underway.

3.3. Senior and Key Capacity Building in Finance Function

3.3.1 This area was the highest priority and focus for Adele Taylor. Current position with roles (74 in total, which excludes Revs, Bens, and Transactional services)

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- 3.3.2 Permanent 34 roles with a further 2 joining in coming few weeks.
- 3.3.3 Interim 23 roles which will reduce when 2 people join permanently. To note some of these interims have been secured but are not yet in place.
- 3.3.4 There were currently 17 vacant roles.
- 3.3.5 Some supernumerary roles to support specific areas including Safety Valve work, Recruitment support and some subsidiary support.
- 3.3.6 Permanent recruitment plan has been developed which due to go live w/c 24/04 although activity to “warm up” candidates has been underway.
- 3.3.7 Vacant roles generally focussed in:
- 3.3.7.1 Procurement and commercial
 - 3.3.7.2 Corporate finance (technical roles)
 - 3.3.7.3 Included 3 graduate/ trainees roles where recruitment will be aligned with school, college, and university leavers. Next week would be going ‘live’ for a number of vacancies. Two people were interested in the DD roles, which was good news. Message was that people were interested in coming to Slough. Adele confident there would be more interest in Slough as a place to come and work. Needed to prioritise the work that the Council was doing, however.
 - 3.3.7.4 Sean Nolan commended the work done so far. He felt it would be helpful to be more granular going forward and discuss this either here or at IRB, focusing on the particular roles that were currently vacant particularly in procurement.
- Action Adele Taylor: Current specific vacant roles to be discussed at next finance board meeting.**
- 3.3.8 The whole procurement piece was a very important part of the transformation journey. This had been covered in the previous IRB and Max Caller and Margaret Lee had been very happy with it. Stephen Brown agreed to update Sean Nolan on this offline.
- 3.3.9 Sue Butcher reported there was also a back-office merger going on at the moment and was a positive move. She and Adele Taylor would be liaising closely on it.

3.4. Machinery for delivery of major transformational savings

- 3.4.1 Currently a number of areas across SBC undergoing transformation.
- 3.4.2 Focus in Finance and Commercial around Revs, Bens, and Transactional services.
- 3.4.3 Aligning with Strategy & Improvement work plan to ensure finance key partner in transformational delivery.
- 3.4.4 Forward look to 2024/25 and medium term financial planning needs to focus on not just individual service targets but also themed around areas including:
- 3.4.4.1 Increase profits from physical assets
 - 3.4.4.2 Benchmarking and understanding cost drivers

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3.4.4.3 Income and Debt management (cross council view) – both raising of income and management processes. Targeting areas of high cost pressure to reduce overspend risk.

3.4.4.4 Partnership working and external funding. Sean – particularly interested in council's approach to large-scale transformation in relation to future medium term financial planning and linked to best -value methodologies e.g. top 10 transformation areas, methodology for producing business cases etc

3.4.4.5 The Leader commented that the Council wanted to advance on the budget for 24/25 so they could focus on the longer term service reform. The political direction going forward was also a key component to long term work able to be carried out.

3.5. Action plan for disciplines (budget framework and improvement plan)

3.5.1 Report taken to cabinet in February 2023 indicating progress against actions following:

3.5.1.1 CIPFA review

3.5.1.2 DLUCH Governance Review (finance only)

3.5.1.3 Grant Thornton

3.5.1.4 Response to Directions (finance only)

3.5.1.5 Recommend report to June cabinet closing down actions and pulling together a single report and improvement plan that can be used to monitor against.

3.5.2 The report that goes to cabinet in June needs to have one single improvement plan.

3.5.3 Sean commented that the focus now was to be on the improvement agenda and was also keen for that to be thematic in financial practice and accountability across the Council. This would need to be completed sooner rather than later with the agenda planning to also be done soon after.

Action Adele Taylor: to produce a combined plan agreed with colleagues and key members that reflected at least some significant improvement actions by June.

3.5.4 Clear Commissioner expectations were for some key milestones as listed on the Improvement Agenda.

3.5.5 Update on final accounts pre 2022/23

3.5.5.1 2018/19 all complete – awaiting Grant Thornton final checks and sign-off

3.5.5.2 2019/20 have been submitted – agreement on when these will be audited tbc

3.5.5.3 2020/21 majority completed – depends on the results of prior audits for final completion

3.5.5.4 2021/22 to follow

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3.5.5.5 Meeting with Grant Thornton on a regular basis

3.5.5.6 Agreed to a workshop during May to consider improvement route that can be made to working papers and supporting evidence as we move through each financial year. Date tbc.

3.5.6 Sean Nolan queried if Grant Thornton's main criticism was only of the quality of the accounting records from the Council or did it extend to technical treatments such as valuations? Adele indicated mainly the former from her briefings to date. The team was in the process of updating 19/20 accounts with the adjustments relating to the recommendations that Grant Thornton made. The Council would experience a similar situation for 2019/20 but should then see an incremental improvement after that.

3.5.7 Sean reflected it was very possible that Slough could receive another disclaimer from Grant Thornton and Adele Taylor agreed this was a very likely outcome.

3.5.8 Cllr Rob Anderson has been meeting with Grant Thornton quarterly and they have reported on the quality on the record to him. It was agreed the standard of record-keeping going back to 2019 was not of the right standard.

3.5.9 Leader reflected that the council had expected this outcome from Grant Thornton on the previous years' accounts.

3.5.10 Sean Nolan would be looking for assurance on this aspect of the improvement journey going forwards.

3.5.11 Sean Nolan discussed two things: firstly, to have a conversation with the leader and the members post-election. Secondly, what was important was that the Commissioners gave the Council a much more holistic expectation in the form of an assurance framework. These would be monitored going forward. Within the finance piece, Sean proposed the following areas:

3.5.11.1 A Finance Improvement Plan properly resourced with clear milestones aimed specifically at the key themes of proper financial practices and clear financial accountability and disciplines across the Council.

3.5.11.2 Ensuring adequate capacity, skills, and training in the Council's Finance Function.

3.5.11.3 Machinery in place to give confidence in the management of the council's budget targets, starting with 2023/4.

3.5.11.4 Asset sales of c £200m in 23/24 and clear targeting of receipts over the medium term consistent with MTFP requirements ('Medium Term Financial Plan').

3.5.11.5 A clear plan showing the arc of improvement needed to move the Council's external opinion status from 'declined opinion' to 'unqualified'

3.5.11.6 A *balanced* medium term financial plan – 24/25 to 26/27 - consistent with the Council's aims, ensuring adequate reserve cover and drawing on large scale transformation and Best Value service challenge across the Council.

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3.5.11.7 Reactions to the 5 points: Adele's caveat – risk to this is the general election, but that would apply to all Councils. Sean felt the challenge would be to take a reasonable view in the meantime. The timeframe is to get this done by March 2024. This will ensure movement away from the 1-yr planning that the Council is currently engaged in. This was understood by all.

3.5.11.8 Leader commented that a proper strategy is needed. Up to now the council has been 'firefighting' and now it would be good to be able to move into a more planned phase.

4. Internal Audit Update and Overview on Internal Audit Report (Adele Taylor)

- 4.1.** Moving in the right directions. The new Head of Internal Audit was working with individual DLTs to ensure the old items were cleared off. The right owners needed to be identified which had sometimes been a challenge. A session has also been done in finance. DLTs were leading on this, however.
- 4.2.** Sean very keen that there was a significant regular time devoted to the audit of the Council's core systems. He wanted the finance team to give Commissioners' assurance that there was an escalation process that now worked. Having looked at the internal audit report, and the number of 'minimum or partial assurance', it was not a good reflection of where the Council was, and it was worrying that there were so many partial or minimum assurances on the Council's core systems. The reports had been finalised despite having these low levels of assurance and that needed to change going forward.

Action Adele Taylor: to review the internal audit report, looking specifically at the partial and minimum assurances on the Council's core systems, and provide an assessment of any follow up required.

5. Dedicated Schools Grant Safety Valve Update 10 (Adele Taylor/Sue Butcher)

- 5.1** Safety valve agreement had been submitted. A review of the current process for commissioning private therapies and individual tuition to manage cost for children and young people with Education Health and Care Plans (EHCPs).
- 5.2** Adequate capacity and training – some restructure of staff has taken place. Monitoring of the finances was crucial. Needed to move this into the next phase.
- 5.3** Claire Priest to have an offline discussion with Sue Butcher on procurement plan for this coming year. Relationships with schools required continued work. Cllr Ajaib asked whether the pushback from schools would be managed to a conclusion. Sue Butcher responded it would be a journey and a big challenge to changing the culture within schools and focus on the statutory responsibilities of the Council. Needed to ensure there was also the right Head Teacher representation on the SEND board.

6. Procurement Update (Claire Priest)

6.1 Lessons learned review has been completed. Reporting has since updated to improvement plan.

- 6.1.1** Improvements in procurement and contract management made and a contracts register implemented which allowed for forward planning and not missing exit dates on contracts etc. Improvements with staff training on the rules have also been backed up. Moved away from external consultancy to

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bring in-house. KPIs have been developed and a task and finish group has been set up.

6.1.2 Process mapping work being done in conjunction with DLUHC. Wanted to foster a culture of continuous improvement. Contract register project was formally closed on 31 March 2023. Highlighted the benefits of working cross-Council.

6.1.3 One red risk on the report was regarding recruitment. Update was there was good response to the recruitment offers.

6.1.4 Next steps for 2023 were to implement a much more coordinated approach to contract management. Contract pioneer programme is being used with DLUHC. It was agreed that reporting from Claire Priest to move to a 6-monthly cycle going forward. The next reporting for Claire Priest will therefore be at the Finance Board in October 2023.

7. AOB

None.

Meeting closed at 10.32am.

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