

## **Cabinet – Meeting held on Monday, 15th November, 2021.**

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

**Also present under Rule 30:-** Councillor Strutton

### **PART 1**

#### **41. Declarations of Interest**

No declarations were made.

#### **42. Minutes of the Meeting held on 18th October 2021**

**Resolved –** That the minutes of the meeting of the Cabinet held on 18<sup>th</sup> October 2021 be approved as a correct record.

#### **43. DLUHC Reviews and Intervention**

The Cabinet received a report that set out a summary of the recommendations in the Department for Levelling Up, Housing & Communities (DLUHC) governance and CIPFA reviews and the appointment of commissioners to Slough for three years.

The Leader stated that the Council had formally responded to the two reports. The Council had accepted the reports in full and good initial progress had been made to address each of the recommendations. Intensive work had been carried out in recent months to address the severe financial challenge facing the Council and this would continue as part of the recovery and renewal process.

The Council had welcomed the appointment of commissioners and the Cabinet noted that it was expected the Government would appoint two or three commissioners to be in place by the end of November. Lead Members commented on the reports and asked whether further steps could be taken to accelerate progress on the Council's recovery. A comprehensive response to each recommendation was set out in a report elsewhere on the agenda, which would also be considered at full Council on 23<sup>rd</sup> November, and there would be a series of challenging decisions in the future for Members to consider.

Speaking under Rule 30, Councillor Strutton confirmed that the Conservative Group also accepted the findings of the reports. He commented that the Council leadership should support the Commissioners without obstruction and that some of the basic failings identified in the governance report, such as IT, needed to be urgently addressed. The Leader responded, including to confirm that the Cabinet would work constructively with the new commissioners in the same way as the Council had done with the children's

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services commissioner. The work being done by the Executive Board to address IT issues was noted.

At the conclusion of the discussion the Cabinet noted the report.

**Resolved** – That the report be noted and preparations be made to support the arrival of commissioners who were expected to be appointed for a period of three years by the Secretary of State for Department for Levelling Up, Housing & Communities (DLUHC) in the coming weeks.

### 44. Recovery and Renewal Plan - Update

The Director of Finance introduced a progress report on the work being undertaken to improve all aspects of the Council's financial position and underlying financial and governance processes. The Cabinet was requested to refer the report to full Council on 23<sup>rd</sup> November 2021.

The report included a detailed set of appendices outlining progress on various matters including the statement of accounts and year-end close; budget setting; companies; internal audit action tracking; financial systems; the finance team; revenues and benefits and the PFI review. The report also included the responses and progress tracking on the CIPFA Review, DLUHC governance review, Grant Thornton recommendations and further DLUHC recommendations.

Lead Members welcomed the comprehensive update and discussed the report in detail. The Director of Finance and his team was thanked for the significant progress they had made in identifying the extent of financial issues and practice and a query was raised about whether there was sufficient capacity to carry out the substantial amount of work to be done in future. In response the Director of Finance confirmed that additional resources had been provided to bring in the necessary expertise in the short to medium term and that a full restructure of the finance team would be carried out to put in place the capacity and capability required in the longer term. There was a discussion about the review of the PFI contract with schools and clarification would be sought on the on the number of years left to run. A query was raised about the cost of commissioners, which would be borne by the Council, and it was estimated to be in excess of £1m over a three year period, based on two commissioners being appointed.

Speaking under Rule 30, Councillor Strutton expressed views on several aspects of the report, including why the savings previously promised by bringing customer services and environmental services back in house had not been achieved. The Leader and Executive Director of Place & Community responded to the points raised and explained the work done to stabilise environmental services and seek out both savings and income generating opportunities since it came back in house in December 2017. Councillor Strutton asked about the timing of any change to the electoral cycle. The Leader highlighted that the working group set up in 2020 had agreed to

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consult on the proposal to move to whole council elections and that consultation was currently underway with residents. It would not be realistic to implement any change, if agreed, for the borough elections in 2022, but it could be changed by 2023 subject to the response to consultation, views of the commissioners and decisions of full Council. Councillor Strutton had also commented on the PFI review of schools and it was responded that the external reviews had stated the contracts were generally well managed but the issue was addressing the historic financial gap from when the contracts had originally been agreed in 2007.

The Cabinet discussed a number of other issues including the work being done on companies governance and on the Dedicated Schools Grant. At the conclusion of the discussion the Cabinet noted the updates and agreed to recommend the comprehensive report to full Council on 23<sup>rd</sup> November 2021.

**Resolved –** That the current position on the Finance Recovery Plan be noted and that the report be recommended to Council.

### 45. **Revenue and Capital Budget Monitoring Report - 2021/22 (Period 6 - September 2021)**

The Director of Finance summarised the revenue and capital budget monitor which set out the current financial position as at the end of September 2021, and forecast for the 2021/22 financial year. The report also highlighted the key financial risks.

The current forecast for the 2021/22 planning savings was a small net overspend of £0.02m, although it was recognised that based on the Section 114 notice as at 2<sup>nd</sup> July 2021 the General Fund balance was forecast to be a cumulative deficit of £111m at 31<sup>st</sup> March 2022.

Lead Members commented that the significant amount of work that had gone in to deliver the planned savings for 2021/22, and to close the savings gaps for 2022/23, was demonstrating progress in stabilising the financial position. The Leader highlighted that work on the Medium Term Financial Strategy had commenced. It was noted that there would be parts of corporate services, such as IT, which would need investment to support service delivery and wider savings plans.

The Cabinet noted the report.

**Resolved –** That Cabinet note the following information:

- Based on the S114 notice as at 2<sup>nd</sup> July 2021 the General Fund balance was currently forecast to be a cumulative deficit of £111m as at 31/3/22.
- The current forecast for 2021/22 planned savings was a net overspend position of £0.02m.

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- The DSG balance was forecast to be a cumulative deficit of £24.2m as at 31/3/22, this forecast deficit position has increased recently by circa £0.238m compared to month 5.
- At 30 September 2021, the HRA was forecasting a net surplus of £0.950m for 2021/22, however this may change as work progresses on the Business Plan.
- The forecast capital programme outturn for the General Fund for 2021/22 is currently £50.6m, of which £19.4m was to be financed from new borrowing.
- The forecast capital programme outturn for the HRA for 2021/22 was currently £12.9m

It was noted, however, that there were significant Council wide uncertainties in the current forecasts, which as well as being subject to ongoing monitoring, verification and challenge were also heavily dependent on the accuracy of information and continued emerging issues. Service specific risks were noted in section 3.3. In particular Council wide issues were:

- year-end Statements of Accounts for 2018/19, 2019/20 and 2020/21 had yet to be finalised and audited. Further adjustments to these accounts may impact on the financial position as currently reported.
- the capitalisation direction as previously reported had been under continuous review since July and remains so. At this stage the work was ongoing but it was highly likely that the £111m cumulative deficit as at 31/3/22 would be increased as would the total forecast deficit previously reported as £174m in the S114 notice and updated to Council as likely to be above £200m. The impact on corporate budgets remained to be determined as part of that review. The emerging issues that would need to be funded by an additional capitalisation direction were likely to include by way of example:
  - further funding of the Council's Minimum Revenue Provision
  - pay award of 1.75% for the Council and Children's Company and other revenue pressures
  - inadequate provisions and contingencies
- Covid-19 was an ongoing issue and a £6.4m contingency was built into the 2021/22 GF budget to cover any additional expenditure or loss of income as a result of ongoing lockdown measures. It was assumed that any

additional expenditure would be compensated for with COVID grants, but this had yet to be confirmed by DLUHC.

**46. Household Support Fund**

The Cabinet noted that the Department for Work & Pensions had announced £500m of new funding to support vulnerable households through the winter. The Director of Finance introduced a report that set out the Council's proposed policy to utilise Slough's share of this grant.

The grant was to be administered between 6<sup>th</sup> October 2021 and 31<sup>st</sup> March 2022. Lead Members welcomed the funding and requested that a realistic figure be set aside from the grant to administer the scheme and that every effort should be made to allocate all of the available funding to vulnerable families in Slough by the end of March.

The Cabinet noted the report and agreed the policy.

**Resolved –** The following was noted in respect of the scheme:

- (a) That the Council's share of the Household Support Fund was £1,177,691.53.
- (b) That the Section 151 Officer would certify and submit Management Information returns to the DWP in December 2021 and March 2022 in order for the Council to receive its allocated share of the grant funding.
- (c) That the funding was accessible to residents and households in Slough from 06 October 2021 to 31 March 2022.

That it be agreed:

- (d) That the policy at Appendix A to the report be approved.
- (e) That delegated authority be given to the Executive Director of Corporate Operations, following consultation with the Leader, to review and make minor changes to the policy.

**47. Digital Signage Project**

The Executive Director of Place & Community introduced a report that set out the potential for enhancing open space and highway land, and generating income, through a digital signage project.

Prior to the commencement of the discussion, Councillor Carter stated that he would abstain for discussion and decision on the matter as he may in future

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seek to use the advertising opportunities under the policy for his own business.

Lead Members recognised the income potential and expressed various views about the aesthetic merits of digital advertising in certain locations. A query was raised about consultation and it was responded that each site would be subject to consultation as part of securing planning permission. Lead Members discussed the policy and particularly whether it should be strengthened to include any further controls to restrict the type and appropriateness of advertisements that may be contrary to the Council's values. These could include adverts with political or religious views or, for example, limitations of fast food advertising near schools. It was noted that adverts would need to meet recognised industry standards.

The Cabinet agreed the recommendations, including the policy, in principle and requested that scrutiny consider the policy. It was agreed that the delegated authority should include consultation with the relevant Lead Members.

### **Resolved –**

- (a) That the advertising policy attached at Appendix 6 to the report be approved, subject to a review of the policy by scrutiny.
- (b) That the use of Slough Borough Council owned Land Assets and highway land listed in Appendix 1 be approved for advertising and public realm sponsorship to make best use of the Council's assets in accordance with the policy at Appendix 6 and subject to following statutory processes and obtaining relevant statutory consents (e.g. planning approval).
- (c) That delegated authority be given to the Strategic Director for Place, following consultation with the Lead Members for finance and enforcement portfolios, to:
  - (i) Seek and select suitable third party providers for each of the advertising and public realm sponsorship opportunities identified in Appendix 3 in compliance with the Council's Contract Procedure Rules and any applicable procurement regulations.
  - (ii) Grant permission under the Highways Act 1980 ("HA 1980") to third party providers to erect advertising hoardings on highway land and to place advertising on existing structures on a case by case basis in accordance with the policy at Appendix 6 and subject to following the statutory processes and obtaining all relevant consents including compliance with any necessary planning conditions.
  - (iii) Enter into appropriate lease or licence arrangements with third party providers for the provision of suitable advertising displays at

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specified locations identified in Appendix 3 to facilitate the policy intentions set out in Appendix 6.

(iv) Make necessary amendments to the contractual arrangements entered with providers.

### **48. References from Overview & Scrutiny**

There were no references from Overview & Scrutiny. It was noted that the outstanding reference from the Place Scrutiny Panel (28<sup>th</sup> September) on asset disposals would be included in a report to Cabinet in December 2021.

The Cabinet would receive a report summarising the comments of scrutiny on draft budget proposals prior to budget decisions being made.

### **49. Notification of Key Decisions**

The Cabinet considered and endorsed the Notification of Key Decisions published on 15th October 2021 which set out the key decisions expected to be taken by Cabinet over the next three months.

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

Chair

(Note: The Meeting opened at 6.31 pm and closed at 7.57 pm)