

Cabinet – Meeting held on Monday, 16th September, 2019.

Present:- Councillors Swindlehurst (Chair), Hussain (Vice-Chair), Anderson, Carter, Mann, Nazir and Pantelic (until 7.40pm)

Also present under Rule 30:- Councillors Dar and Sabah

Apologies for Absence:- Councillor Sadiq

PART 1

28. Declarations of Interest

No interests were declared.

29. Minutes of the Meeting held on 15th July 2019 and the Extraordinary Meeting held on 2nd September 2019

Resolved – That the minutes of the meeting of the Cabinet held on 15th July 2019 and the Extraordinary meeting held on 2nd September 2019 be approved as a correct record.

30. Revenue Financial Update Q1 2019/20

The Lead Member for Governance & Customer Services and the Director of Finance & Resources introduced a report that updated on the Council's revenue position for the first quarter of the year to the end of June 2019.

The forecast end of year position for all Council run services was an overspend of £1.641m which was 1.5% of the revenue budget. This was in line with previous years and management actions were in place to address the areas of overspend. However, recent information had been received from Slough Children's Services Trust (SCST), which the Director, as Section 151 Officer, had decided needed to be included in the budget monitor as it potentially had a significant material impact on the Council's financial position. SCST had reported a forecast £3.7m overspend in 2019/20 due to increases in staffing, placement and legal costs attributed to a spike in referrals in October/November 2018 and January 2019. The Council had made an advanced payment of two months when the Trust was established in 2015 for cashflow purposes. The Officer stated that given the risks, provision for this further sum of £4.3m should be included which resulted in a total potential deficit of £8m. Taken together with the Council run services, the total projected overspend was therefore reported as £9.641m which was 9% of the revenue budget.

The Cabinet was concerned about the position regarding the Trust's finances and the potential impact that it could have on other Council services. During the course of the discussion on the position, Lead Members noted that detailed work and discussions were taking place between the Council, SCST

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and Department for Education (DfE), who had established the Trust, to urgently address the situation. The Local Government Association (LGA) would be conducting a detailed review of the SCST finances to understand the reasons for the overspend and identify actions that the Trust could apply. The Council was in an otherwise strong financial position and had sufficient reserves to cover the maximum liability, if required, however they would be significantly depleted. The contract with SCST was in place until 2021 and it was recognised that it was in the Council's interests that the Trust was in a stable financial position at the point the future arrangements for managing children's services were in place.

Members expressed surprise and concern about the position and commented that it was unsatisfactory that the contract with the Trust had not included sufficiently transparent financial reporting to the Council. It was also confirmed that when the DfE established the Trust it had a fixed budget and did not require it to have or provide its own reserves to increase its financial resilience. The Cabinet asked about the approach that was being taken with regards to discussions with the Trust and Officers confirmed that their senior management was working with the Council, including on the LGA review. It was in the interests of all parties to stabilise the finances and understand the reasons for the overspend. Lead Members emphasised the importance of carrying out this work comprehensively and as quickly as possible to establish the financial implications for the Council. Strengthening the governance of the Trust board, including the Council's level of representation which was currently one non-executive director, would need to be reviewed to ensure there was sufficient transparency.

At the conclusion of discussion, the Cabinet noted the revenue financial update and agreed the write off requests. In terms of the financial position of the Trust, it was agreed that monthly updates would be provided to Lead Members & Directors and quarterly to the Cabinet in future revenue budget monitoring reports.

Resolved –

- (a) That the reported underlying financial position of the Council, including the Slough Children's Services Trust (SCST), as at the first quarter of the year be noted;
- (b) That the management actions being undertaken by the officers to reduce the budget pressures be noted;
- (c) That the Council's request to the Department for Education (DfE) to provide additional financial support relating to the Slough Children's Services Trust (SCST) be noted;
- (d) That the potential impact on the Council's general reserves and associated implications for the Council based on the latest financial projections, be noted;

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- (e) That further updates regarding the Council's financial position be provided to Lead Members on a monthly basis and to Cabinet on a quarterly basis; and
- (f) That the write offs as requested in Section 10 of the report be approved.

31. Capital Financial Update Q1 2019/20

The Lead Member for Governance & Customer Services introduced a report that summarised spend against capital budgets for 2019/20 to the end of June 2019.

The revised capital budget for the year was £212.5m and the forecast spend was £203.1m, which was a forecast underspend of 4% of the programme. This level of slippage was significantly lower than historic trends. There was a monthly monitoring process in place to seek to ensure that projects were on track with quarterly reporting to Cabinet and the Overview & Scrutiny Committee.

The Cabinet noted the update.

Resolved – That the report be noted.

32. Medium Term Financial Strategy Update

The Lead Member Governance & Customer Services and the Director of Finance & Resources introduced a report that updated the Cabinet on progress since the current Medium Term Financial Strategy (MTFS) had been approved by Council in February 2019, highlighting new developments and government announcements since that time and summarised the next steps for the revised strategy to 2022/23.

The Cabinet noted the key drivers for the authority's financial strategy and the revised projections. The MTFS agreed in February set out balanced revenue budgets for the following three years which provided a sound base to respond to any further pressures that would emerge.

The update for 2020/21 currently included provision for a further £2.7m Slough Children's Services Growth Bid for pay inflation and other staff, legal and placement costs. This was on top of the £1.4m growth provided in the current year and any financial consequences of the in year overspend reported in the 2019/20 revenue budget monitor. The growth proposal would be worked up by the Trust with the assistance of the LGA Review and the amount requested would therefore be subject to review.

The key aspects of the Chancellor's Spending Review announced on 4th September were summarised. This included an extra £1bn nationally for social care and there would be consultation on a further 2% Council Tax precept for adult social care. There was additional revenue support in

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2020/21 to support children with special educational needs, however, it was also noted that the Department for Education's capital budget would be cut by 10%. A further update would be provided on the impacts for the Council in the next scheduled report to Cabinet in November 2019.

The Cabinet noted the report and the timetable for the budget setting process for the next year.

Resolved –

- (a) That the updated MTFS for 2020/23 be noted.
- (b) That the need for Council to set a balanced budget for 2020/21 be noted; and
- (c) That the issues and actions set out in the report which informed the development of the Council's MTFS for 2020 to 2023 be noted.

33. Performance & Projects Report Q1 2019/20

The Service Lead Strategy & Performance summarised a report setting out the latest performance information for quarter 1 of 2019/20. This included the corporate balanced scorecard, update on the project portfolio and progress on the delivery of manifesto commitments.

There were 22 performance indicators of which 11 were 'green' rated to the end of June 2019, with 3 'Amber' and 5 'Red'. Performance had improved on indicators such as the use of direct payments and the crime rate. A Member asked whether this improvement was due to an actual reduction in crime or changes to reporting procedures, as had been the case when the same indicator worsened previously. Further clarification would be provided outside of the meeting. There was a new indicator on bringing empty homes back into use which was currently showing as 'Red', however, it was noted that the Council had an active programme in place to bring such properties back into residential use and the Lead Member for Housing & Community Safety was confident that the target would be met.

The 'Red' rated indicators were reviewed in turn and the Cabinet noted that actions being taken to address performance issues. The majority of projects in the portfolio were 'Green' and 'Amber' and the position of each 'Red' rated progress was noted. There were 43 specific manifesto commitments of which the vast majority were on track for delivery during the year.

The report format had changed significantly over the past year to improve clarity and ensure it was more effective in monitoring and managing corporate performance. The Lead Member for Governance & Customer Services commented that further work would be undertaken to make the document more accessible and readable for residents so that they could hold the Council accountable for performance.

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At the conclusion of the discussion, the Cabinet noted the Quarter 1 Performance and Projects Report.

Resolved – That the Council's current performance as measured by the performance indicators within the balanced scorecard, the progress status of the gold projects and the manifesto commitments be noted.

34. Localities Strategy Update

The Interim Director of Regeneration introduced an update on the Localities Strategy since its approval by Cabinet on 25th February 2019. The report outlined the progress on the proposed six hubs and sought approval to accelerate the implementation of the strategy by utilising the Council's network of Children's Centres.

The progress of delivery of the individual hubs was summarised, amongst which it was noted that the Chalvey hub was on track and set to open in May 2020; there had been a change in the delivery route of the Trelawney Avenue hub since the last report in February but it was expected to be on site in 2020. The Cabinet was asked to approve delegated authority to the Interim Director of Regeneration to proceed with this revised procurement approach.

Discussions had also taken place about how the Council could maximise the use of its existing portfolio to implement the Transformation Programme and help deliver the Customer Experience Strategy by providing locally based services. This had resulted in a proposal to utilise the network of 10 Children's Centres to allow locality based work for relevant SBC services potentially including adult social care, community development and housing. The recommendations were agreed.

The Cabinet noted the progress that had been made and discussed future reporting arrangements. It was agreed that Lead Members & Directors would receive updates with a further report to Cabinet in February 2020.

Resolved –

- (a) That the Council should immediately agree to seek to utilise its network of Children's Centres to accelerate the delivery of the Localities Strategy throughout Slough.
- (b) That it be noted that in the first instance, the Children's Centres would provide further "touch down" workspace for staff and (where possible) locations for meetings between staff and residents. Thereafter, they would be integrated into the evolving strategy.
- (c) That it be noted that the Council had commissioned capacity studies to determine the location of locality buildings in Cippenham and Wexham.

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- (d) That it be noted that the new Chalvey Hub was on schedule to open in May 2020.
- (e) That it be noted that whilst progress had been slower than anticipated at Britwell and Trelawney Avenue, progress was being made to deliver these projects to meet the objectives agreed in February 2019.
- (f) That delegated authority be given to the Interim Director of Regeneration, following consultation with the Cabinet member for Regeneration and the s151 Officer to:
 - i. Agree all financial and non-financial terms related for the development of the Trelawney Avenue Hub via Slough Urban Renewal as a Community Project, provided the costs remain within the budget approved by Cabinet in February 2019.
 - ii. Agree revised Heads of Terms with KDL for the disposal and development of the third party element of the Hub as described in section 5.10 of the report, including authority to negotiate and agree all financial and non-financial terms.
 - iii. Take any other necessary actions and enter into any agreements or documents, acting in the best interests of the Council, in order to enable the redevelopment of the site for the uses as set out in the report.

35. Commercial Sub-Committee Terms of Reference

The Interim Director of Regeneration introduced a report that sought approval for the Terms of Reference for the new Commercial Sub-Committee which the Cabinet had agreed to establish in June 2019.

The purpose of the Sub-Committee would be to maximise existing and future commercial and business development opportunities for the Council. It would strengthen the governance arrangements and improve the transparency of the area in scope which included, but was not limited to, Slough Urban Renewal, the Strategic Acquisition Board, the Council's housing companies and proposed Environmental Services Trading Company. The scale of regeneration and commercial projects in the next 5-10 years was significant and it was considered that the Sub-Committee would have an important role in agreeing a Commercial Strategy and Action Plan to bring together the various activities. The Cabinet was assured that the new arrangements would not dilute the ambitious programme in place but would assist the Council in generating income and supporting front line services.

The proposed Terms of Reference were set out fully in Appendix A to the report and it was proposed that the first meeting be held on 1st October 2019. The Sub-Committee would be composed of the Leader and a further three Lead Members with relevant portfolios to be appointed annually. In 2019/20 this would be the Lead Members for Governance & Customer Services, Transport & Environmental Services and Housing & Community Safety.

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The Cabinet welcomed the establishment of the Sub-Committee and agreed that it would help the Council adopt best practice in managing commercial activities and balancing the risks. The Terms of Reference were approved.

Resolved – That the proposed Terms of Reference for the Commercial Sub-Committee attached as Appendix A be agreed.

(Councillor Pantelic left the meeting)

36. **Stoke Road Corridor Transport and Highway Improvement Works**

The Lead Member for Transport & Environmental Services introduced a report on the Stoke Road Corridor transport and highway improvement works, including to the Slough train station northern forecourt public realm improvements.

The Cabinet welcomed the £7.65m towards the cost of the scheme that had been awarded by the Berkshire Local Transport Body from the Local Growth Fund. Approval was sought for the design as set out in the report and Lead Members discussed the contribution the scheme would make to the delivery of the Council's Transport Vision. Lead Members commented that works would improve access to the station, improve key junctions, support the Mass Rapid Transit schemes; and contribute to the strategic approach to promote sustainable transport. It was noted that the Cabinet would receive a further report on the Transport Vision at a future meeting and would be asked to consider the Car Parking Strategy in December.

At the conclusion of the discussion, the recommendations were agreed.

Resolved –

- (a) That the offer of the Berkshire Local Transport Body (BLTB) to provide £7.65 Million from the Local Growth Fund Stream 3 funding towards the cost of the proposed improvement schemes be welcomed;
- (b) That the design of the scheme as outlined in paras Section 4 of the report be agreed in principle subject to the development of the designs through the detailed design process;
- (c) That Officers proceed to secure the land agreements required to receive the new footbridge span over the Grand Union Canal as indicated on the supporting information in Section 5 of the report; to be carried out in agreement with Canal River Trust and Slough Urban Regeneration (SUR);
- (d) That the results of the consultation exercise completed on Friday 1st February 2019 be accepted and the installation of the scheme be approved.

- (e) That Officers investigate further opportunities, made possible by implementation of the scheme, to work towards the aims of the recently released Transport Vision document; in particular to reduce congestion, improve air quality by promoting public transport and reducing the dominance of the car as a mode of travel.

37. Heart of Slough - North West Quadrant Update

The Interim Director of Regeneration introduced a report that updated on the Heart of Slough North West Quadrant project.

The Cabinet had agreed in January 2018 to grant an option to negotiate with Slough Urban Renewal (SUR) to redevelop the former Thames Valley University site. The report set out how the Council had negotiated enhanced commercial terms with SUR which included an exclusivity agreement that would enable each phase to be tendered to the open market which was advantageous to the Council; utilising the expertise of Muse to help progress the project; and strengthened governance arrangements to give the Council more control. The updated masterplan was scheduled for approval in March 2020. The project was closely linked to the Transport Vision and assurance was provided that the plans were aligned to ensure the Council's wider strategic objectives were being met. As part of the negotiations with SUR they had agreed to unconditionally release the option for the site at Weekes Drive which would assist the Council to bring forward a scheme for 110 social and affordable housing units.

The Cabinet welcomed the progress that had been made in bringing forward the TVU site redevelopment to enable to Council to maximise the huge potential of the site to the regeneration of the town. After due consideration, the recommendations were agreed.

Resolved –

- (a) Significant progress has been made in relation to the delivery of the NWQ and that SUR will present an updated masterplan for approval by March 2020.
- (b) Following a series of positive meetings, the Council has negotiated enhanced commercial terms with SUR for this site, as follows:
 - i. Construction Exclusivity – commercially it is advantageous to the Council to have SUR seek Value for Money through the broadest range of construction entities particularly with the expertise of high rise residential development and therefore SUR will not require any exclusivity to Morgan Sindall companies;
 - ii. Muse expertise and dedicated resources – SUR will appoint their in-house company Muse, who specialise in major regeneration projects similar to the NWQ and they will increase their resources to provide dedicated expertise and leadership of the project;

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- iii. Governance – in order to create a bespoke decision making structure, it is appropriate that there is a separation between the day-to-day SUR projects and decision making from the NWQ project. It has been agreed that there will be a dedicated 'TVU Project Board', which will be resourced equally from Muse and the Council and directly accountable to the Chief Executive of the Council and the Chief Executive of Morgan Sindall.
- iv. Council Objectives - There are a number of strategically important requirements that the Council have made mandatory to delivering an integrated high quality inclusive development. These include the inclusion of the Network Rail land, adoption of a flexible scheme to accommodate the MRT route and the compliance of affordable housing. SUR have agreed to accommodate all of these objectives;

(c) The proposals for the NWQ will form part of a wider Framework Masterplan for the centre of Slough that will include the redevelopment of the town centre and incorporate the emerging Transport Vision and Cultural Strategy to facilitate and maximise wider social and regenerative benefits for Slough.

(d) As part of negotiations with SUR to refresh the governance arrangements, SUR has agreed to unconditionally release the option for the site at Weekes Drive, which is the catalyst for SBC to bring forward a circa 110 unit affordable housing project.

38. References from Overview & Scrutiny

There were no references from Overview & Scrutiny.

39. Notification of Forthcoming Decisions

The Cabinet considered and endorsed the Notification of Decisions published on 16th August 2019 which set out the key decisions expected to be taken by the Cabinet over the next three months.

Resolved – That the published Notification of Key Decisions for the period between September to November 2019 be endorsed.

40. Exclusion of Press and Public

Resolved – That the press and public be excluded from the meeting during consideration of the items in Part II of the agenda as they involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority hold that information) as defined in paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

Below is a summary of the matters considered during Part II of the agenda.

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41. Part II Minutes - 15th July 2019

The Part II minutes of the meeting held on 15th July 2019 were approved.

42. Disposal of Car Park & Garages, Sheehy Way, Wexham Lea

The disposal of the car park and garages, Sheehy Way was agreed.

Chair

(Note: The Meeting opened at 6.31 pm and closed at 8.15 pm)