

**Customer and Community Scrutiny Panel (Meeting Jointly with the Place Scrutiny Panel) – Meeting held on Wednesday, 7th December, 2022.**

**Present:-** Councillors Begum (Chair), Muvvala (Vice-Chair), Ali, Brooker, Hussain, Kaur, M. Malik, Mohammad, Cheema, Gill, Grewal and Sandhu

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

**Apologies for Absence:-** Councillors S. Malik, Minhas, Christine Griffin, Trevor Pollard,

**PART 1**

**20. Declarations of Interest**

Councillor Strutton declared a non-pecuniary interest in that he had previously been employed in the bus industry.

**21. Minutes of the Meeting held on 20 October 2022**

**Resolved** – That the minutes of the meeting held on 20 October 2022 be approved as a correct record.

**22. Member Questions**

There were no Member questions.

**23. Financial Overview**

The SBC Head of Financial Management gave a slide presentation which provided an overview of the Council's current financial position and financial strategy.

Members asked the following questions and received the responses set out below.

Following a question, the Head of Financial Management confirmed that the nationally agreed pay rises for staff had been accepted by the unions and the increase had been backdated and paid to staff in the November payroll.

Previous finance reports had indicated that the Council would need to make savings of £200m in the current year and £100m the following year, however the report indicated that this figure was £66m.

The SBC Head of Financial Management advised that the current projected figure was £100m and that this figure had increased since the slides had initially been put together.

## Customer and Community Scrutiny Panel - 07.12.22

Would it be necessary to implement the full 2% increase in council tax to fund adult social care, or could this percentage be lower, particularly since the government had promised £1b in funding for adult social care?

The Council needed to do everything possible to reduce the current deficit. There was the opportunity to increase council tax by 5%, which was being modelled in a bid to reduce the deficit. There was a projected deficit for subsequent years and it was important to close this gap as rapidly as possible. The capitalisation direction, which included the sale of assets, would remain in place until the Council's finances were balanced.

Would the proposed increase in council tax have an impact on the repayment amounts?

The SBC Head of Financial Management explained that the Council had large amounts of debt on which it was paying a low rate of interest, however, as and when those debts needed to be replaced, the Council would end up paying a higher rate of interest. If, the Council did not reduce its level of borrowing, then the interest on these debts would continue to grow. Hence the repayment of those debts would help to bring down the level of borrowing on which the Council was paying a higher level of interest.

With regard to the asset disposal strategy, which assets would the Council retain and how much would they be worth?

The SBC Head of Financial Management stated that he did not have the exact figures to hand. He undertook to provide this information to the Panel after the meeting. He added that smaller value assets and those which would be necessary for operational purposes would be retained. Once assets had been sold, there would be a need to focus on reducing service provision to achieve additional savings.

Had the possibility that some assets may not sell or may achieve a lower than projected price been risk assessed and how would this be mitigated against?

The SBC Head of Financial Management responded that the projected price of assets had been calculated on the basis of modelling and the Council would do everything possible to achieve the projected sale prices and avoid any risks from downward market pressures.

Was the projected revenue saving of £200m this year and £60m next year an achievable target?

The SBC Head of Financial Management advised that modelling was built on the assumption that these sales would be achieved on a phased basis. All the repayments would not solely be achieved through the sale of assets. Ebbs and flows in cash flow would need to be managed and it may be necessary to borrow from PWLB (Public Works Loan Board) on a short term basis to manage the profiling of the repayments.

## Customer and Community Scrutiny Panel - 07.12.22

What effect would an adverse audit report for the 2018/19 accounts have on the Council's finances?

An adverse audit report would harm the Council's reputation, however, it would depend on the auditors' final conclusions. In practical terms, the auditors had indicated that they would accept the accounts submitted. DLUHC (the Department for Levelling up, Housing and Communities) had informally indicated that it would accept the accounts the Council had produced and provide an actual capitalisation directive for that year.

The SBC confirmed that the £14m savings figure was an annual target.

Would the £20m savings figure reduce annually following the sale of assets?

The SBC Head of Financial Management advised that asset sales would not generate savings directly, they would however provide cash flow in the interim. Capital receipts could be used to repay capital financing, reduce borrowing and reduce the minimum revenue on the Council accounts. This had been modelled up to 2028 and beyond. The overall capitalisation direction would fluctuate, as there were four years of outstanding accounts to be finalised, and there were likely to be adjustments which would have a bearing on the final figure. The deliverability of savings was crucial. Other things such as inflation and the cost of energy would further increase pressures on the Council, all of which could create some degree of uncertainty.

How much were the auditors charging to audit the accounts for 2018/19 and subsequent years?

The SBC Director of Finance advised that the cost for auditing the 2018/19 accounts amounted to approximately £700k. The auditors had not yet provided an estimate of their charges for subsequent years, however, he anticipated that the amount would be slightly lower. The final audit fee would be paid in 2023/24. He added that the auditors' rates had recently increased, and normally the figure would have been in the region of £200-£250k.

With regard to any potential council tax increase, how much income would each additional percentage point increase in council tax generate for the Council?

The SBC Head of Financial Management stated that each percentage point was equivalent to approximately £650m and therefore a 5% increase in council tax would generate £3m.

The Council's main financial thrust was the sale of its assets and repayment of its loans. If, the Council did not sell its assets or income from those sales was lower than anticipated, how would this be dealt with?

The SBC Head of Financial Management stated that the sale of assets was not the entire thrust of the Council's financial strategy. There were also significant annual savings targets - £22m savings for next year and £14m for

## Customer and Community Scrutiny Panel - 07.12.22

subsequent years, eventually reducing down to £8m. The recent sale of the Akzo Nobel site for £140m provided confidence and assurance that the asset disposal strategy was on track.

A Member speaking under Rule 30 asked what the total value of asset sales to date amounted to and whether this had any impact on the MRP. He also asked if other means of income generation, such as car park charges, had been explored.

The SBC Head of Financial Management advised that the figure was £162m for the current year. Modelling had been carried out on the overall target and therefore any impact on the MRP would not have been assessed. A certain profile had been set in terms of generating savings in coming years, it would therefore be challenging to try deliver all those in a single year. Other areas such as the Council's Estates were being looked at with a view to income generation, and would be reported on in due course.

**Resolved** – That the report be noted.

### **24. Place & Communities and Housing & Property budget proposals 2023/24**

The SBC Executive Director of Place and Communities presented the report Place and Communities and Housing and Property Budget proposals 2023/24.

Members asked the questions below and received the following responses.

How short of staff were the housing repairs and the leaseholders teams? He had received numerous complaints from residents about not being able to contact staff in either team.

The SBC Executive Director advised that the housing repairs team consisted of the contractor team and the client team. Currently the client team was at 40% of the capacity it needed. The contractor's performance was improving. The leaseholder team had been reduced to no staff with interims put in place. The new housing management system would help alleviate some of the pressure. It was important to strike a balance between recruiting additional staff and implementing more effective processes.

The SBC Executive Director, Property & Housing stated that there was a recruitment drive to fill vacant posts and the management structure was being consolidated. He added that budget pressures on the HRA (Housing Revenue Account) was not as acute as that on the general fund. New staff had been recruited to the Estate Management team, but there were market challenges to contend with.

Was Slough charged for the use of the household waste and recycling centre at Langley? The SBC Executive Director of Place and Communities confirmed that Slough paid a management and a tonnage fee to Buckinghamshire for the use of the Langley and Burnham sites. The cost was

## Customer and Community Scrutiny Panel - 07.12.22

£155 per ton. Charges would be introduced at the Chalvey site to mirror the Bucks charges.

How likely was it that the shortfall in the savings targets would be achieved?

The SBC Executive Director of Place and Communities stated that the shortfall related to earlier plans to lease parts of Observatory House or to sell it. These plans had not been implemented and were under review. The shortfall also related to the leisure management fee, which was significantly lower than anticipated following a negotiated settlement with the provider.

Had any targets been set for the green waste collection charges?

The SBC Executive Director of Place and Communities stated that the green waste scheme had been implemented in 2022 but no targets been set. The take up rate in other authorities was in the region of 50-65% of households. He made the point that if residents did not take up the scheme then this would reduce collection costs. Take up levels would be more apparent from spring of 2023.

A Member pointed out that there were some errors in the figures in the final column on slide 44 and that he had raised similar issues at previous scrutiny meetings. The Director of Finance apologised and stated revised figures would be circulated.

Following a question, the Executive Director advised that every local authority by law had to have a household waste recycling centre, which would be free for local residents. There had been no traffic-related issues at the recycling sites for some years.

The Executive Director, Property and Housing stated that a number of different options were being explored with regard to Observatory house.

Would short term savings by reducing highways maintenance lead to greater expense further down the line? The Executive Director of Place and Communities stated that this would need to be reviewed as and when.

Following a question about making savings by reducing street lighting, he stated that this topic was being further explored and would be reported on at a future meeting.

Was the service for the number 4 bus being reduced?

An officer advised that the number 4 bus service was being reduced in the evenings and weekends. The number 6 bus service was being withdrawn on Sundays and public holidays. The number 5 bus service would continue operating, albeit on a shorter route, and that this may be supplemented by another provider. Negotiations were ongoing with Heathrow airport and all the other operators to maintain these routes.

## **Customer and Community Scrutiny Panel - 07.12.22**

The proposed cuts to subsidies for bus services went against what had been agreed at previous scrutiny meetings.

An officer stated that there was significant decline in bus use nationally due to high costs. Bus use currently stood at 65%. This meant large subsidies to bus companies were no longer feasible. Nevertheless, modal shift continued to be a Council priority. He added that E-scooters and bikes were becoming increasingly popular.

He added that the future of the bus lane was under review as part of a range of different measures. There was a proposal to roll out an A-4 cycle way and Slough had been awarded £10.5m for this. If public transport use continued to decline, bus companies may decide to withdraw unprofitable services. Following another question, he advised that there was no change to the eligibility criteria for receiving concessionary bus passes.

Following a question, an officer confirmed that existing CPZs would be expanded out and resident parking permit charges, which had remained static for a number of years, would be increased. Charges for road closures for commercial or utility works, were being reviewed and would also be increased.

**Resolved** – That the report be noted.

### **25. Members' Attendance Record**

**Resolved** – That the attendance record be noted.

### **26. Date of Next Meeting - 11th January 2023**

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.10 pm)