

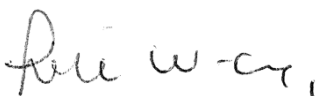
Date of despatch: Wednesday, 15 September 2021

**To the Members of Slough Borough Council**

Dear Councillor,

You are summoned to attend a Meeting of the Council of this Borough which will be held in the Council Chamber - Observatory House, 25 Windsor Road, SL1 2EL on **Thursday, 23rd September, 2021 at 7.00 pm**, when the business in the Agenda below is proposed to be transacted.

Yours faithfully



**JOSIE WRAGG**  
Chief Executive

**PRAYERS**

**AGENDA**

***Apologies for Absence***

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| 1. | Declarations of Interest  | -      |
|    | <i>All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i> |        |
| 2. | To approve as a correct record the Minutes of the Council held on 23rd July 2021  | 1 - 10 |
| 3. | To receive the Mayor's Communications.  | -      |

**Public Questions**

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| 4. | Questions from Electors under Procedure Rule 9. | - |
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**Recommendations of Cabinet and Committees**

*[Notification of Amendments required by 10am Wednesday 22<sup>nd</sup> September]*

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| 5. | Recommendation of the Audit and Corporate Governance Committee from its meeting held on 14th September 2021   | 11 - 34            |
|    | <ul style="list-style-type: none"><li>• Policy Statement on Corporate Governance</li></ul>  |                    |
| 6. | Recommendations of the Cabinet from its meeting held on 20th September 2021   |                    |
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**Motions**

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| 9. | To consider Motions submitted under procedure Rule 14. | 99 - 100 |
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**Member Questions**

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| 10. | To note Questions from Members under Procedure Rule 10. |  |
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**Press and Public**

**Attendance and accessibility:** You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

**Webcasting and recording:** The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

**Emergency procedures:** The fire alarm is a continuous siren. If the alarm sounds Immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

**Covid-19:** To accommodate social distancing there is significantly restricted capacity of the Council Chamber and places for the public are very limited. We would encourage those wishing to observe the meeting to view the live stream. Any members of the public who do wish to attend in person should be encouraged to contact the Democratic Services Officer before the meeting.

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## MINUTES OF COUNCIL PROCEEDINGS

At a Meeting of the Council for the Borough of Slough held at the Council Chamber - Observatory House, 25 Windsor Road, SL1 2EL on Thursday, 22nd July, 2021 at 7.00 pm

**Present:-** The Worshipful the Mayor (Councillor Nazir), in the chair; Councillors Ajaib, Akram (until 10.45pm), Ali, Anderson, Bal, Bains, Basra, Bedi, Brooker, Carter, A Cheema, H Cheema, J Davis, R Davis, Dar, Dhaliwal, Gahir, Grewal, Hulme, Kaur, Kelly, Malik, Mann, Matloob, Minhas, Mohammad, Muvvala, Pantelic, D Parmar, S Parmar, Qaseem (until 9.49pm), Sabah (until 10.45pm), Sandhu, Sharif, Smith, Strutton, Swindlehurst and Wright.

**Apologies for Absence:-** Councillors Begum, Gill and Hussain.

### 13. Declarations of Interest

Councillor Bal declared that his daughter had previously worked for the Council.

Agenda item 13 (Motion B Trustee Committee) - Councillor Strutton declared that he was Vice-Chair of the Trustee Committee and it was noted that Councillors Bains, Bal, Matloob, Satpal Parmar, Sabah and Swindlehurst were also members of the Committee.

### 14. To approve as a correct record the Minutes of the Council held on 20th May 2021

**Resolved** - That the minutes of the Council meeting held on 20<sup>th</sup> May 2021 be approved as a correct record, subject to amending the resolution for Minute 2 to "Councillor Mohammed Nazir be elected as Mayor for the Municipal Year 2021/22" and not "2020/2021."

### 15. To receive the Mayor's Communications.

The Mayor welcomed Father Darcy Chesterfield-Terry to the meeting and thanked him for continuing as the Mayor's Chaplain for 2020/21.

Members were reminded that although restrictions had been lifted by Central Government, it was important that all councillors continued to advise residents to be mindful of staying safe by wearing masks social distancing where possible.

The Mayor announced that he was taking part in the Slough Together Charity Walk 2021 on 28<sup>th</sup> August starting in Upton Court Park and that he would like to put a team together to raise funds for the Mayor's Charity supporting local organisations. Any Member interested in joining the team was advised to contact the Mayor's Executive Assistant.

**16. To consider a motion submitted under Procedure Rule 14.1 (C) - To Remove the Leader of the Council**

It was moved by Councillor Strutton,  
Seconded by Councillor Bedi,

“This Council has lost confidence in the current Leader of the Council, Councillor James Swindlehurst; and we the undersigned hereby call for a vote to be taken to remove Councillor James Swindlehurst as Leader of the Council, under Council Procedure Rule 14.1 ( C ). The motion relates to actions taken and the conduct of the Leader in his role in public office.

Since his election as Leader of the Council, Councillor Swindlehurst has overseen a culture of financial mismanagement which has culminated in Slough Borough Council issuing a Section 114 notice. The lack of transparency, and internal scrutiny has seen Slough Borough Council come in breach of its statutory requirements in relation to the calculation of the Minimum Revenue Position (MRP). It is symptomatic of an administration led by Councillor Swindlehurst which has seen borrowing quadruple to £760 million, and a projected deficit of £159 million by 2025.

Councillor Swindlehurst has shown himself incapable of accepting internal scrutiny, and of implementing a policy of fiscal prudence. This Council therefore has no confidence in Councillor Swindlehurst’s ability to take the Council forward as Leader, and to implement the necessary changes to put the Council in a financially sustainable position. **This Council therefore resolves to remove him from his position as Leader of the Council.**”

A prior request having been made for the record of the voting:

There voted for the motion:

Councillors Bedi, Kelly, Muvvala, Smith, Strutton and Wright..... 6

There voted against the motion:

Councillors Ajaib, Akram, Ali, Anderson, Bains, Bal, Basra, Brooker, Carter, A.Cheema, H.Cheema, Dar, J.Davis, R.Davis, Dhaliwal, Gahir, Grewal, Hulme, Kaur, Malik, Mann, Matloob, Minhas, Mohammad, Pantelic, S.Parmar, Qaseem, Sabah, Sandhu, Sharif and Swindlehurst.....31

There abstained from voting on the motion:

Councillor D Parmar and The Worshipful the Mayor, Councillor Nazir .....2

**Resolved – That the motion not be carried.**

**17. Questions from Electors under Procedure Rule 9.**

Five elector questions had been received, all of whom were present at the meeting and asked a supplementary question. A written copy of the replies would be sent to the electors.

**18. Section 114 Report and Chief Executive's Response**

The Mayor varied normal procedure rules to allow the Chief Executive, Section 151 Officer and the Council's external auditors, Grant Thornton, to address the meeting; following which they received a number of questions from Members.

The Section 151 Officer highlighted Slough's borrowing per head of population in 2015/16 compared to 2020/21, which saw the Council move from a position of twenty first to the third highest borrowing rate in comparison to other local unitary authorities. The Minimum Rate Provision from 2011 to date was explained and it was noted that the estimated accumulated deficit as at 31 March 2022 was £111.7m and that this was estimated to increase by £62.4m to £174.1m by 31 March 2025. Approximate savings of circa £16-18m were required in each financial year to address the deficit, which were likely to include the sale of assets held by the Council. Although financial experts had been brought in to address matters, given the scale of the issues that had been identified it was likely that further resources in the finance team would be required.

In addressing the meeting, the Chief Executive acknowledged the current financial situation was due to the accumulation of a number of financial issues over the years. Governance arrangements had been strengthened and the Council was working closely with MHCLG and external auditors. Members were requested to endorse the Chief Executive's response to the S114 report as detailed in the report.

Paul Dossett, from Grant Thornton, the Council's external auditors, stressed the importance of collective responsibility from officers and members in taking measures to restore the Council's finances. The Council was facing a hugely challenging period and radical measures would need to be taken to improve the financial position, which included the need for investment in the finance team and the possibility of cuts to front line services.

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Akram,

- “ a) Endorse the findings in the Section 114 report;  
b) Endorse the Chief Executive's response to the Section 114 Report, including, specifically:  
    the proposals to control in-year spending;  
    the proposals for the budget setting process for 2022/23, including the role of Overview and Scrutiny and plans for public consultation;  
c) Note the Council's ongoing discussions with MHCLG in relation to securing a further capitalisation direction;

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- d) Note the Chief Executive's response and that if it is not delivered, and/or sufficient savings are not identified, the s.151 Officer may issue a further s.114 report."

*(Councillor Qaseem left the meeting)*

The recommendations were put to the vote and agreed unanimously.

**Resolved –**

- a) Endorse the findings in the Section 114 report;  
b) Endorse the Chief Executive's response to the Section 114 Report, including, specifically:
- the proposals to control in-year spending;
  - the proposals for the budget setting process for 2022/23, including the role of Overview and Scrutiny and plans for public consultation;
- c) Note the Council's ongoing discussions with MHCLG in relation to securing a further capitalisation direction;  
d) Note the Chief Executive's response and that if it is not delivered, and/or sufficient savings are not identified the S151 Officer may issue a further s.114 report.

**19. Section 24 Statutory Recommendations**

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Akram,

"That the Section 24 statutory recommendations, as set out in the report, be accepted."

The recommendation was out to the vote and agreed unanimously.

**Resolved** - That the Section 24 statutory recommendations, as set out in the report, be accepted.

**20. Agreement to various financial decisions with regards to GRE5 to proceed with essential replacement cladding works at Nova House**

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Mann,

- (a) "That the variation to the Council's investment strategy, as set out in the report, which will enable (b) and (c) to take place be approved;
- (b) That delegated authority be provided to the s151 Officer after consultation with the Chief Executive and the SRO for this programme (Executive Director - Transformation) to enter into a loan facility agreement with GRE5 for up to £7m (with an option to increase this by up to a further £3m – a maximum of £10m); and



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- (c) That a parent company guarantee be provided to SUR LLP in relation to development costs for the replacement of cladding at Nova House that are not funded by Homes England (“HE”).”

The recommendations were put to the vote and agreed unanimously.

### **Resolved –**

- (a) That the variation to the Council’s investment strategy, as set out in the report, which will enable (b) and (c) to take place be approved;
- (b) That delegated authority be provided to the s151 Officer after consultation with the Chief Executive and the SRO for this programme (Executive Director - Transformation) to enter into a loan facility agreement with GRE5 for up to £7m (with an option to increase this by up to a further £3m – a maximum of £10m); and
- (c) That a parent company guarantee be provided to SUR LLP in relation to development costs for the replacement of cladding at Nova House that are not funded by Homes England (“HE”).

## **21. Appointment of Monitoring Officer**

The Mayor proposed that Council Procedure Rule 22.2 - before any discussion on the appointment of a Council employee the Council shall exclude the press and public – be suspended in order to consider the matter in Part I of the meeting. It was unanimously agreed to suspend Council Procedure Rule 22.2.

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Akram,

“That Angela Wakefield be appointed as the Council’s Monitoring Officer with effect from 1<sup>st</sup> October 2021.”

The recommendation was put to the vote and agreed unanimously.

**Resolved –** That Angela Wakefield be appointed as the Council’s Monitoring Officer with effect from 1<sup>st</sup> October 2021.

## **22. Our Futures Programme - Approval of Severance Packages**

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Akram,

“That the severance packages as set out in the appendix to the report be agreed.

The recommendation was put to the vote and carried by 28 votes for with 8 abstentions.

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**Resolved** - That the severance packages as set out in the appendix to the report be agreed.

### 23. Response to Review of Parliamentary Boundaries

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Akram,

“That the draft response to the review of Parliamentary Boundaries, as at Appendix A to the report, be submitted to the Boundary Commission for England by 2<sup>nd</sup> August 2021.”

The recommendation was put to the vote and carried by 28 votes for, 3 against and 5 abstentions.

**Resolved** - That the draft response to the review of Parliamentary Boundaries, as at Appendix A to the report, be submitted to the Boundary Commission for England by 2<sup>nd</sup> August 2021.

In accordance with Council Procedure Rule 8.1, the Mayor proposed that the meeting continue past 10.30pm to complete all the remaining business. This was put to the meeting and it was unanimously agreed.

### 24. Covid-19 Decisions Update

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Akram,

(a) “That the report be noted; and

(b) That the significant decisions taken by Silver as set out in the Appendix be ratified insofar as they relate to Council functions.”

The recommendations were put to the vote and agreed unanimously.

**Resolved** -

(a) That the report be noted; and

(b) That the significant decisions taken by Silver as set out in the Appendix be ratified insofar as they relate to Council functions.

### 25. To consider Motions submitted under procedure Rule 14.

Motion A - New deal for funding Adult Social Care and ensuring integration of health care services

It was moved by Councillor Pantelic,  
Seconded by Councillor Gahir,

“This council notes that, despite the Prime Minister’s pledge in 2019 to prioritise Adult Social Care, no progress has been made on a future funding model for

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social care. This Council therefore calls on the government to make good on its promise to 'fix social care' and secure a long term and sustainable funding settlement for social care that:

- Provides ongoing investment to allow councils to move beyond the traditional model of wellbeing to one of prevention, reablement, more appropriate accommodation and community care and support;
- Stops the short-term financial approach of one-off grants and the adult social care precept that are sticking plaster solutions which are unsustainable and act as a hinderance to sustainable long-term planning;
- Protects people from having to sell their home to pay for care;
- Ensures the Health and Care Bill will solidify integrated working at place with proper funding attached
- Commits to fully involving local councils in the process of integrating services and works with the Local Government Association to ensure the new legislation works for local communities."

The motion was put to the vote and agreed unanimously.

### **Resolved –**

This council notes that, despite the Prime Minister's pledge in 2019 to prioritise Adult Social Care, no progress has been made on a future funding model for social care. This Council therefore calls on the government to make good on its promise to 'fix social care' and secure a long term and sustainable funding settlement for social care that:

- Provides ongoing investment to allow councils to move beyond the traditional model of wellbeing to one of prevention, reablement, more appropriate accommodation and community care and support;
- Stops the short-term financial approach of one-off grants and the adult social care precept that are sticking plaster solutions which are unsustainable and act as a hinderance to sustainable long-term planning;
- Protects people from having to sell their home to pay for care;
- Ensures the Health and Care Bill will solidify integrated working at place with proper funding attached
- Commits to fully involving local councils in the process of integrating services and works with the Local Government Association to ensure the new legislation works for local communities.

### Motion B – Trustee Committee

The Mayor informed the meeting that Councillor Strutton was the proposer for the motion and not Councillor Kelly as stated in the agenda.

It was moved by Councillor Strutton,  
Seconded by Councillor Muvvala,

"This Council acknowledges:

- The Trustees Committee meets on behalf of the residents of Slough; representing their interests, and that the decisions taken by the Trustees Committee impact on the future of public spaces such as Langley Memorial Park, Salt Hill Park, our local war memorials and charities trusts which are used by residents of all ages across Slough, and;

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- That the minutes of the Trustees Committee are not publicly accessible for residents, and that residents do not have the facility to ask questions of the Committee.

Resolves to:

- Make the minutes of the Trustees Committee available for public viewing, except in relation to Part II papers, thereby providing greater transparency and accountability in the work and decisions this Committee undertakes, and the role of this Council as being the responsible Corporate Trustee.
- Provide the opportunity to residents and local organisations, to submit questions to the Chair and Trustees who sit on the Committee.”

It was moved by Councillor S Parmar, as an amendment,  
Seconded by Councillor Bains,

“This Council acknowledges:

- ~~The Trustee Committee meets on behalf of residents of Slough; representing their interests, and that the~~ **The unanimous decision of the Full Council held on Tuesday 24<sup>th</sup> April 2018 to establish the Trustee Committee. Decisions taken by the Trustees committee impact on the future of public spaces such as Langley Memorial Park, Salt Hill Park, our local war memorials and charities trusts which are used by residents of all ages across Slough, and;**
- ~~That the minutes of the Trustees Committee are not publicly accessible for residents, and that residents do not have the facility to ask questions of the committee.~~
- **Part 4.1 of the Council’s procedure rules as contained in the Council’s Constitution states; “At an ordinary meeting of the Council a registered elector/resident of the Borough (not being a Member of the Council) may ask the Leader, Lead Members, Chairs or Group Leaders questions relating to any Council.”**

**This Council** resolves to:

- Make the minutes of the Trustees Committee available for public viewing **from its next meeting**, except in relation to Part II papers, thereby providing greater transparency and accountability in the work and decisions this Committee undertakes and the role of this Council as being a responsible Corporate Trustee.”

~~Provide the opportunity to residents and local organisations, to submit questions to the Chair and Trustees who sit on the Committee~~

The amendment was put to the vote and carried with 28 votes for and 4 abstentions and became the substantive motion.

The substantive motion was put to the vote and carried with 28 votes for and 4 abstentions.

**Resolved -**

This Council acknowledges:

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- The unanimous decision of the Full Council held on Tuesday 24<sup>th</sup> April 2018 to establish the Trustee Committee. Decisions taken by the Trustee Committee impact on the future of public spaces such as Langley Memorial Park, Salt Hill Park, our local war memorials and charities trusts which are used by residents of all ages across Slough
- Part 4.1 of the Council's procedure rules states; "At an ordinary meeting of the Council a registered elector/resident of the Borough (not being a Member of the Council) may ask the Leader, Lead Members, Chairs or Group Leaders questions relating to any Council Policy."

Resolves to:

- Make the minutes of the Trustees Committee available for public viewing from its next meeting, except in relation to Part II papers, thereby providing greater transparency and accountability in the work and decisions this Committee undertakes and the role of this Council as being a responsible Corporate Trustee

### Motion C – Financial Recovery

Prior to considering this motion, the Mayor sought the Council's agreement to suspend standing orders 12.1 (b) which stated that the council shall not discuss any complaint or performance of an officer which is or could be the subject of an investigation under the council's relevant disciplinary policy; and procedure rule 22.2 which required that any motions on council employees shall be in Part II of the meeting.

It was unanimously agreed to suspend council procedure rules 12.1 (b) and 22.2.  
*(Councillors Akram and Sabah left the meeting)*

It was moved by Councillor Bedi,  
Seconded by Councillor Kelly,

"This Council acknowledges:

- That Slough Borough Council is in an exceptional financial crisis and notes the Secretary of State's comments regarding the "poor leadership" which led us to this point.

Resolves to:

- Request that the Council's Investigating and Disciplinary Committee consider the capability of the Chief Executive of the Council to lead us to financial recovery."

It was moved by Councillor Carter, as an amendment,  
Seconded by Councillor Minhas,

"This Council acknowledges:

- That Slough Borough Council is in an exceptional financial crisis and notes the Secretary of State's comments regarding the "poor leadership" which led us to this point, and—

**This Council Resolves to:**

- ~~Request that the Council's Investigating and Disciplinary Committee consider the capability of the Chief Executive of the Council to lead us to financial recovery.~~
- Work to lead financial recovery, supporting the Council Leader and Cabinet who will set out revised expectations of the Chief Executive and Executive Board to deliver at pace the changes required to put this Council on a sound financial footing.
- Receive at September Full Council a plan including key milestones to achieve financial recovery and specific expectations for individual directorates. These will be regularly monitored through appropriate Lead Member(s) meeting with their executive directors and contributing to the performance management of senior officers through our new Objectives and Key Results performance management framework (which have been recently agreed via the Transformation Programme)"

The amendment was put to the vote and carried with 29 votes for and 8 abstentions and became the substantive motion.

The substantive motion was put to the vote and carried with 29 votes for and 8 abstentions.

**Resolved –**

This Council acknowledges:

- That Slough Borough Council is in an exceptional financial crisis and notes the Secretary of State's comments.

This Council resolves to:

- Work to lead financial recovery, supporting the Council Leader and Cabinet who will set out revised expectations of the Chief Executive and Executive Board to deliver at pace the changes required to put this Council on a sound financial footing.

Receive at September Full Council a plan including key milestones to achieve financial recovery and specific expectations for individual directorates. These will be regularly monitored through appropriate Lead Member(s) meeting with their executive directors and contributing to the performance management of senior officers through our new Objectives and Key Results performance management framework (which have been recently agreed via the Transformation Programme)

**26. To note Questions from Members under Procedure Rule 10**

Two member questions had been received, details of which and replies had been published in the supplementary agenda.

Chair

(Note: The Meeting opened at 7.00 pm and closed at 11.00 pm)

**SLOUGH BOROUGH COUNCIL****REPORT TO:** Council      **DATE:** 23<sup>rd</sup> September 2021**CONTACT OFFICER:** Josie Wragg, Chief Executive**WARD(S):** All**PART I**  
**FOR DECISION****RECOMMENDATION OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE**  
**FROM ITS MEETING HELD ON 14<sup>TH</sup> SEPTEMBER 2021 - POLICY STATEMENT ON**  
**CORPORATE GOVERNANCE****1    Purpose of Report**

The purpose of this report is to seek the Council's approval on the policy Statement on Corporate Governance, as approved by the Audit and Corporate Governance Committee as set out in this report.

**2    Recommendation(s)/Proposed Action**

The Council is requested to resolve that the Policy Statement on Corporate Governance, as set out in the Appendix to the report, be approved.

**Reason:** Corporate governance is key to ensuring effective decision-making so that local communities can place trust in the way the Council undertakes and carries out its duties. The existing Policy Statement has not been reviewed for some time and does not reflect the principles set out in the CIPFA/SOLACE framework.

**3    Report****Introductory paragraph**

- 3.1 The Council's Constitution sets out the rules, procedures and codes of practice governing the Council's operations. Part 5 contains the Ethical Framework and includes a Policy Statement on Corporate Governance at Part 5.9. This Statement has not been subject to a detailed review process in the last few years. Following the Council's request for a capitalisation directive, the Ministry of Housing, Communities and Local Government (MHCLG) commissioned a review into the Council's financial position and the strength of its wider governance arrangements. Whilst the results of this review have not yet been published, the Council has been reviewing its governance processes to ensure they meet industry standards.

**Options considered**

- 3.2 The Council could choose not to amend its Policy Statement on Corporate Governance. This is not recommended as the current Statement is not based on the CIPFA / SOLACE framework.

## **Background**

- 3.3 In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) published a framework and guidance notes entitled “Delivering Good Governance in Local Government” (the CIPFA / SOLACE framework). The framework defines governance as “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”
- 3.4 The framework contains two central principles, with five supporting principles. These seven core principles each have a number of supporting principles. The draft Policy Statement on Core Governance has set out these core principles and sub-principles, with a list of evidence to demonstrate that the Council is meeting each principle.
- 3.5 By having a publicly available Policy Statement on Corporate Governance and using this as a basis for the Annual Governance statement reported to this Committee each year, the Council is committing to regularly reviewing its procedures, analysing its performance and recommending improvements and doing this in an open and transparent manner. This will help demonstrate the Council’s commitment to achieving excellence in the provision of services for the people of Slough and its recognition of the importance of effective corporate governance to allow the communities of Slough to place trust in the way that the Council undertakes and carries out its duties.

## **4. Implications of the Recommendation**

### 4.1 Financial implications

- 4.1.1 There are no financial implications of this recommendation.

### 4.2 Legal implications

- 4.2.1 Changes to the Council’s Constitution are reserved to Full Council. The draft Statement was reviewed by the Audit and Corporate Governance Committee.

### 4.3 Risk management implications

- 4.3.1 Regularly reviewing the systems in place to achieve effective corporate governance is part of an effective risk management procedure.

### 4.4 Environmental implications

- 4.4.1 There are no environmental implications of this recommendation.

### 4.5 Equality implications

- 4.5.1 The draft Statement contains details on how the Council ensures it engages with its citizens and service users effectively, including encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds.



5. **Comments of other Committees.**

Members of the Audit and Corporate Governance Committee considered the draft Policy at the extraordinary meeting held on 14<sup>th</sup> September 2021 and agreed to recommend the policy statement for approval.

6. **Appendices**

Appendix 1 – Draft Policy Statement on Corporate Governance

7. **Background Papers**

None

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## Part 5.9 Policy Statement on Corporate Governance

### Introduction

The Council is committed to achieving excellence in the provision of services for the people of Slough and recognises the importance of effective corporate governance so that local communities can place trust in the way that the Council undertakes and carries out its duties. This policy statement sets out and describes the Council's commitment to corporate governance and identifies the arrangements to ensure its effective implementation and application in all aspects of the Council's work.

In April 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) published a framework and guidance notes entitled "Delivering Good Governance in Local Government" (the CIPFA / SOLACE framework). This provides guidance to local authorities on local codes and procedures on corporate governance.

### What is Corporate Governance

The CIPFA/SOLACE framework defines governance as follows:

*Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.*

It goes on to say:

*To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*

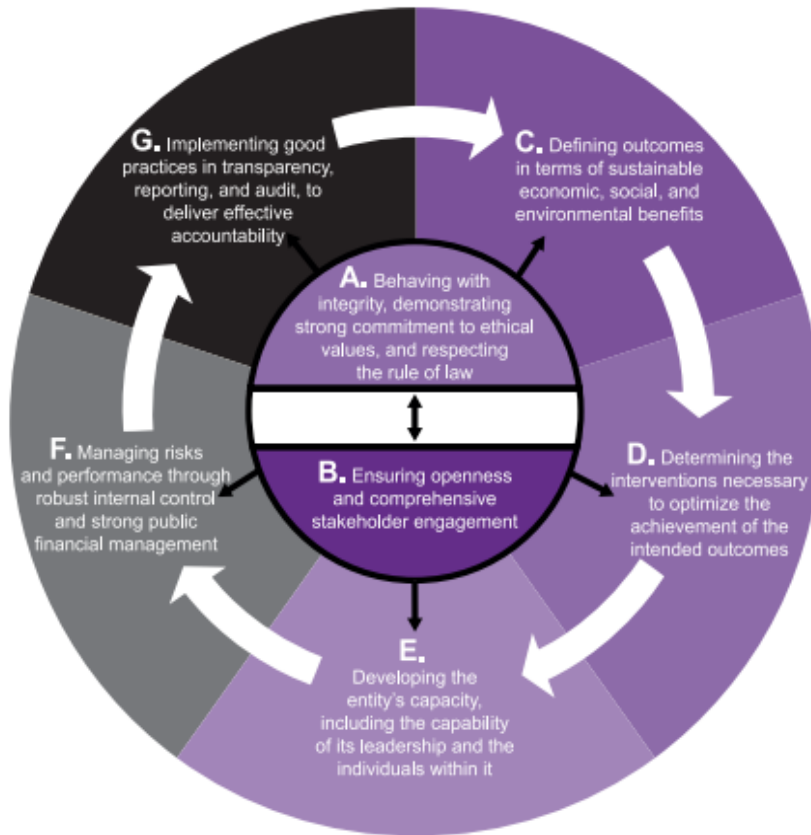
*Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.*

In the Council, the governing body is Full Council.

### Principles of Good Governance in Slough Borough Council

The Council has adopted the seven core principles of good governance set out in the CIPFA/SOLACE framework, which are shown below.

## Achieving the Intended Outcomes While Acting in the Public Interest at all Times



The seven core principles each have a number of supporting principles, which in turn have a range of specific requirements that apply across the Council's business. The following sections set out each sub principle, together with the behaviour and actions that demonstrate good governance in practice. The tables also reference how this is evidenced in the Council.

### Annual Governance Statement

The Council reports annually to its Audit & Corporate Governance Committee in a formal Annual Government Statement, reviewing its performance against the seven core principles. This report will include an analysis of the previous year and recommendations for improvements to be made.

### Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they

have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Behaving with integrity	<ul style="list-style-type: none"> <li>• Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</li> <li>• Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</li> <li>• Leading by example and using the above standard operating principles or values as a framework for decision making and other actions</li> <li>• Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Member Code of Conduct and standards complaints process</li> <li>• Member development programme</li> <li>• Member Officer Relations Code</li> <li>• Local Code of Conduct for Employees</li> <li>• Anti-Fraud and Corruption Strategy and Policy</li> <li>• Anti-Fraud Response Plan</li> <li>• Grievance/Dignity at Work policies</li> <li>• Equal Opportunities policies and procedures</li> <li>• Confidential Whistleblowing Policy</li> <li>• Annual report to Audit &amp; Corporate Governance Committee on complaints</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• Seeking to establish, monitor and maintain the organisation's ethical standards and performance</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resources Policies</li> <li>• Performance management framework</li> </ul>

	<ul style="list-style-type: none"> <li>• Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</li> <li>• Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> <li>• Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Induction processes and officer training</li> <li>• Register of interests – officer and member</li> <li>• Contract procedure rules</li> <li>• Internal boards – Procurement Review Board</li> <li>• Contract management procedures</li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>• Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>• Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</li> <li>• Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>• Dealing with breaches of legal and regulatory provisions effectively</li> <li>• Ensuring corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Council Constitution (Part 3 – Responsibility for Functions)</li> <li>• Directorate schemes of officer delegations</li> <li>• Senior legal officer attendance at Executive Board</li> <li>• Meetings between 3 governance statutory officers</li> <li>• Cabinet report clearance processes, including early involvement of lawyers in advising on proposed decisions</li> <li>• Business case templates for all major decisions and projects</li> <li>• Corporate complaints procedure, including annual reporting to Audit &amp; Corporate Governance Committee</li> <li>• Internal officer boards with legal</li> </ul>

		representation - Executive Board, Procurement Review Board, Strategic Finance Board
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**Principle B - Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Openness	<ul style="list-style-type: none"> <li>Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</li> <li>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</li> <li>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> <li>Using formal and informal consultation and engagement to determine the most appropriate and</li> </ul>	<ul style="list-style-type: none"> <li>Council Constitution – Article 13 – Decision Making and Part 4.2 - Access to Information Procedure Rules</li> <li>Annual Corporate Plan and quarterly performance monitoring reports to cabinet</li> <li>Quarterly budget monitoring reports to cabinet</li> <li>Council Constitution – Part 4.5 - Overview and Scrutiny procedure rules</li> <li>Community Engagement Toolkit</li> <li>Freedom of Information publication scheme</li> <li>Corporate health dashboard, including data on complaints, member enquiries and FOI requests</li> </ul>

	effective interventions/ courses of action	
Engaging comprehensively with institutional stakeholder	<p>NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.</p> <ul style="list-style-type: none"> <li>• Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>• Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>• Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>○ Trust</li> <li>○ A shared commitment to change</li> <li>○ A culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</li> </ul> </li> </ul>	<p>Formal partnerships boards, including:</p> <ul style="list-style-type: none"> <li>• Slough Wellbeing Board</li> <li>• Safer Slough Partnership</li> <li>• Slough Safeguarding Partnership – Children</li> <li>• Slough Safeguarding Partnership - Adults</li> </ul> <p>Informal partnership boards, including:</p> <ul style="list-style-type: none"> <li>• Leaders' Group (2040 Vision)</li> <li>• Regeneration, Economy &amp; Skills Board</li> <li>• Joint Parenting Panel</li> </ul> <p>Representation on outside bodies (excluding connected entities):</p> <ul style="list-style-type: none"> <li>• Berkshire Healthcare NHS Foundation Trust</li> <li>• Berkshire Local Transport Body</li> <li>• Royal Berkshire Fire Authority</li> <li>• Thames Valley Athletics Centre Management Committee</li> <li>• Thames Valley Athletics Centre Trust</li> <li>• Heathrow Community Engagement Board</li> <li>• Parking &amp; Traffic Regulation Outside London Joint Committee</li> </ul>



		<ul style="list-style-type: none"> <li>• Slough Local Access Forum</li> <li>• Groundwork South</li> <li>• South East Employers</li> <li>• St Mary's School Charity</li> <li>• Strategic Aviation Special Interest Group</li> <li>• Slough Community for Voluntary Service</li> <li>• Local Government Association</li> </ul>
<p>Engaging with individual citizens and service users effectively</p>	<ul style="list-style-type: none"> <li>• Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>• Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</li> <li>• Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.</li> <li>• Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</li> <li>• Balancing feedback from more active stakeholder</li> </ul>	<ul style="list-style-type: none"> <li>• Council Plan</li> <li>• Slough 2040 Vision</li> <li>• Community Engagement Toolkit</li> <li>• Annual Equality and Diversity Report</li> <li>• Corporate health dashboard, including data on service and member enquiries, FOI requests and complaints</li> <li>• Annual complaints report to Audit &amp; Corporate Governance Committee</li> <li>• Public consultation during annual budget setting process</li> </ul>

	<p>groups with other stakeholder groups to ensure inclusivity</p> <ul style="list-style-type: none"> <li>• Taking account of the impact of decisions on future generation of tax payers and service users</li> </ul>	
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**Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Defining Outcomes	<ul style="list-style-type: none"> <li>• Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions</li> <li>• Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>• Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>• Identifying and managing risks to the achievement of outcomes</li> <li>• Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul>	<ul style="list-style-type: none"> <li>• Slough 2040 Vision</li> <li>• Five Year Plan</li> <li>• Inclusive Growth Strategy</li> <li>• Joint Wellbeing Strategy</li> <li>• Quarterly performance reporting to cabinet</li> <li>• Housing Strategy</li> <li>• Local Plan for Slough</li> <li>• Service plans and strategies</li> <li>• Corporate risk register</li> <li>• Internal officer boards, including <ul style="list-style-type: none"> <li>○ Risk and Audit Board</li> <li>○ Corporate Oversight Board</li> <li>○ Strategic Finance Board</li> </ul> </li> </ul>

Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>• Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>• Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>• Ensuring fair access to services</li> </ul>	<ul style="list-style-type: none"> <li>• Council Constitution – Part 3 – Responsibility for Functions</li> <li>• Cabinet report template and clearance processes</li> <li>• Slough 2040 Vision</li> <li>• Five Year Plan</li> <li>• Internal officer boards, including</li> <li>• Strategic Finance Board</li> <li>• Procurement Board</li> </ul>
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**Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
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<p>Determining Interventions</p>	<ul style="list-style-type: none"> <li>• Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided</li> <li>• Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Council Constitution – Article 13 Decision Making and Part 3 – Responsibility for Functions, including Scheme of Delegation to Officers</li> <li>• Council Constitution – Financial Procedure Rules and Contract Procedure Rules</li> <li>• Cabinet report template and clearance processes</li> <li>• Business case templates</li> <li>• Community engagement toolkit</li> <li>• Internal officer boards, including <ul style="list-style-type: none"> <li>○ Procurement Board</li> <li>○ Corporate Oversight Board</li> <li>○ Strategic Finance Board</li> <li>○ Risk &amp; Audit Board</li> </ul> </li> <li>• Internal Audit annual plan</li> <li>• Audit &amp; Corporate Governance Committee work programme</li> <li>• Budget setting process, including capital programme and treasury management strategy</li> </ul>
<p>Planning Interventions</p>	<ul style="list-style-type: none"> <li>• Establishing and implementing robust planning and control cycles that cover strategic and</li> </ul>	<ul style="list-style-type: none"> <li>• Slough 2040 Vision</li> <li>• Five Year Plan</li> </ul>

	<p>operational plans, priorities and targets</p> <ul style="list-style-type: none"> <li>• Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>• Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li> <li>• Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li> <li>• Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> <li>• Ensuring capacity exists to generate the information required to review service quality regularly</li> <li>• Preparing budgets in accordance with objectives, strategies and the medium term financial plan</li> <li>• Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Performance management framework</li> <li>• Quarterly reporting to cabinet on performance indicators</li> <li>• Budget setting cycle, including capital programme, treasury management strategy, MTFS</li> <li>• Quarterly reporting to cabinet on budget</li> <li>• Internal Audit Plan</li> <li>• External Auditors reports</li> <li>• Informal partnership boards, including:</li> <li>• Leaders' Group (2040 Vision)</li> <li>• Regeneration, Economy &amp; Skills Board</li> </ul>
<p>Optimising achievement of intended outcomes</p>	<ul style="list-style-type: none"> <li>• Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</li> <li>• Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>• Ensuring the medium term financial strategy sets the</li> </ul>	<ul style="list-style-type: none"> <li>• Council Constitution – Budget and Policy Framework Procedure Rules and Financial Procedure Rules</li> <li>• Budget setting process, including MTFS, capital programme and treasury</li> </ul>

	<p>context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</p> <ul style="list-style-type: none"> <li>• Ensuring the achievement of 'social value' through service planning and commissioning</li> </ul>	<p>management strategy</p> <ul style="list-style-type: none"> <li>• Internal officer Strategic Finance Board</li> <li>• Contract Procedure Rules and internal officer Procurement Board</li> </ul>
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**Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Developing the entity's capacity	<ul style="list-style-type: none"> <li>• Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>• Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>• Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>• Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul>	<ul style="list-style-type: none"> <li>• Capital programme</li> <li>• Asset acquisition and disposal strategies</li> <li>• ICT policies and strategies</li> <li>• Workforce strategy</li> <li>• Budget setting cycle</li> <li>• Formal partnerships: <ul style="list-style-type: none"> <li>○ Slough Wellbeing Board</li> <li>○ Safer Slough Partnership</li> <li>○ Safeguarding Executive Board</li> </ul> </li> <li>• Informal partnership boards:</li> </ul>

		<ul style="list-style-type: none"> <li>○ Leaders Group (2040 Vision)</li> <li>○ Regeneration, Economy and Skills Board</li> </ul>
<p>Developing the capacity of the entity's leadership and other individuals</p>	<ul style="list-style-type: none"> <li>● Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>● Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>● Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</li> <li>● Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> <li>○ Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</li> <li>○ Ensuring members and officers have the appropriate skills, knowledge, resources and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Member development programme</li> <li>● Local Code Governing Relations between Elected Members and Council Employees</li> <li>● Council Constitution – Part 3 – Responsibility for Functions</li> <li>● Council Constitution – Article 12 – Officer Roles and Statutory Officer Functions</li> <li>● Council Constitution – Part 4.7 Officer Employment Procedure Rules</li> <li>● Recruitment and selection policy and procedures</li> <li>● Induction procedures and training and development processes</li> <li>● Robust performance management mechanisms</li> </ul>

	support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis	
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**Principle F - Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny be in place as a key part of accountable decision-making, policymaking and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Managing risk	<ul style="list-style-type: none"> <li>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> <li>Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul>	<ul style="list-style-type: none"> <li>Corporate and directorate risk registers</li> <li>Internal officer group – Risk and Audit Board</li> <li>Annual Audit Letter</li> <li>Internal Audit reports, including annual report</li> <li>Audit and Corporate Governance Committee work programme</li> </ul>
Managing performance	<ul style="list-style-type: none"> <li>Monitoring service delivery effectively including planning, specification, execution and</li> </ul>	<ul style="list-style-type: none"> <li>Council Constitution – Overview and</li> </ul>



	<p>independent post implementation review</p> <ul style="list-style-type: none"> <li>• Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook</li> <li>• Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (or for a committee system).</li> <li>• Encouraging effective and constructive challenge and debate on policies and objectives to support to support balances and effective decision making</li> <li>• Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>• Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>	<p>Scrutiny Procedure Rules</p> <ul style="list-style-type: none"> <li>• Council Constitution – Article 13 – Decision Making</li> <li>• Cabinet report template and clearance processes</li> <li>• Quarterly performance reports aligned to Five Year Plan priorities</li> <li>• Scrutiny work programme</li> <li>• Internal officer boards, including:</li> <li>• Executive Board – reviewing major projects, budget proposals, developing council strategies and policies, providing robust and constructive challenge and monitoring corporate performance, budget and risk.</li> <li>• Budget monitoring processes, including monthly reporting to directorates and quarterly to cabinet.</li> </ul>
<p>Robust internal control</p>	<ul style="list-style-type: none"> <li>• Aligning the risk management strategy and policies on internal control with achieving objectives</li> <li>• Evaluating and monitoring risk management and internal control on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Council Constitution – Article 9 Audit and Corporate Governance Committee</li> <li>• Council Constitution – Part</li> </ul>

	<ul style="list-style-type: none"> <li>• Ensuring effective counter fraud and anti-corruption arrangements are in place</li> <li>• Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</li> <li>• Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> <li>○ provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>○ that its recommendations are listened to and acted upon</li> </ul> </li> </ul>	<p>5.7 - Anti Fraud Corrupton Strategy and Policy</p> <ul style="list-style-type: none"> <li>• Internal officer boards:</li> <li>• Risk and Audit Board</li> <li>• Corporate Oversight Board</li> <li>• Information governance policies and procedures</li> <li>• Lessons learned on data breaches and annual report to Audit and Corporate Governance Committee</li> <li>• Complaints policy and annual reporting to Audit and Corporate Governance Committee</li> <li>• Internal Audit reports and annual report to Audit and Corporate Governance Committee</li> <li>• External Auditors reports</li> </ul>
Managing data	<ul style="list-style-type: none"> <li>• Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>• Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>• Reviewing and auditing regularly the quality and accuracy of data used in</li> </ul>	<ul style="list-style-type: none"> <li>• Information governance policies and procedures</li> <li>• FOI publication scheme</li> <li>• GDPR / data protection training programme</li> </ul>

	decision making and performance monitoring	
Strong public financial management	<ul style="list-style-type: none"> <li>• Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>• Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ul>	<ul style="list-style-type: none"> <li>• Council Constitution – Financial Procedure Rules</li> <li>• Council Constitution – Part 3.6 Scheme of Officer Delegation</li> <li>• Directorate internal schemes of delegation</li> <li>• Budget setting cycle, including MTFs, capital programme and treasury management strategy</li> <li>• Monthly budget monitoring reports to directorates</li> <li>• Quarterly budget monitoring reports to cabinet</li> <li>• Internal officer board Strategic Finance Board</li> <li>• Finance business partner for each directorate</li> <li>• Finance IT system controls</li> </ul>

**Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
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<p>Implementing good practice in transparency</p>	<ul style="list-style-type: none"> <li>• Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</li> <li>• Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> </ul>	<ul style="list-style-type: none"> <li>• Cabinet template and clearance processes</li> <li>• Business plan templates</li> <li>• Communications strategy and website plan</li> </ul>
<p>Implementing good practices in reporting</p>	<ul style="list-style-type: none"> <li>• Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>• Ensuring members and senior management own the results reported</li> <li>• Ensuring robust arrangements for assessing the extent to which the principles contained in this framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</li> <li>• Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of annual reports and Statement of Accounts on website</li> <li>• Annual Governance Statement published on website</li> <li>• Policy Statement on Corporate Governance reviewed annually</li> <li>• Quarterly reporting to cabinet on budget and performance management</li> <li>• Internal officer board – Executive Board responsible for having an overview of the council’s finances and budget, governance arrangements, monitoring corporate performance, budget and risk.</li> </ul>

<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> <li>• Ensuring that recommendations for corrective action made by external audit are acted upon</li> <li>• Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon</li> <li>• Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> <li>• Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> <li>• Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Audit and Corporate Governance Committee – work programme and reporting cycle</li> <li>• Internal officer board – Risk and Audit Board</li> <li>• Internal audit work programme and reporting mechanisms</li> <li>• Reporting results of peer reviews and inspections to appropriate member level meeting</li> <li>• Annual governance statement process</li> <li>• Internal officer board – Corporate Oversight Board to review connected entity business plans</li> <li>• Statutory partnership boards, including Slough Wellbeing Board, Safer Slough Partnership, Safeguarding Partnerships</li> </ul>
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**SLOUGH BOROUGH COUNCIL****REPORT TO:** Council **DATE:** 23<sup>rd</sup> September 2021**CONTACT OFFICER:** Steven Mair, Director of Finance (S151 Officer)**WARD(S):** All**PART I**  
**FOR DECISION****RECOMMENDATIONS OF THE CABINET FROM ITS MEETINGS HELD ON 20<sup>TH</sup> SEPTEMBER 2021****A) RECOVERY AND RENEWAL PLAN – ACHIEVING FINANCIAL SUSTAINABILITY****1 Purpose of Report**

To update Council on the progress and development of plans for Slough Borough Council to achieve financial sustainability, in response to issue of the Section 114 Notice on Friday 2nd July 2021 and to consider the recommendation of the Cabinet made on 20<sup>th</sup> September 2021 to proceed with the Recovery and Renewal Plan as set out in the report.

**2 Recommendations**

The Council is requested to -

- (a) Note the plans being developed for the recovery and renewal of Slough Borough Council
- (b) Agree in principle for the timeline set-out in this report to achieve these ambitious timescales
- (c) Agree in principle that our recovery and renewal plans form the foundation for our revised strategic plan, so all this work has clear strategic coherence and refer for full Council consideration.

**Reason:**

To ensure that the recovery and renewal programme is established so the Council can return to a position of financial sustainability.

**3 Report**

On 2nd July 2021 the Council's Director of Finance & s151 Officer issued a report under s114 of the Local Government Finance Act 1988, which was sent to all Councillors. This advised them that the Council faces "a financial situation of an extremely serious nature".

In response to this, we have been working to urgently develop our recovery and renewal plan which will provide our roadmap to a financially sustainable Council by 2026/27. This will ensure we are able to navigate out of our current challenges towards a planned financially sustainable future.

### **3.1 Options considered**

- (a) Continue with current policy framework.  
The priorities of the Council need to move to ensure a financially sustainable future.  
This option is not recommended.
- (b) Adapt the current 5-year Corporate Plan.  
The Corporate Plan was due to be overhauled this year but the urgency and focus of the challenge demands a complete focus on recovery.  
This option is not recommended.

### **3.2 Background**

#### **3.2.1 Our Futures**

The Our Futures programme has been our primary focus of transformation activity since it was established in the summer of 2019. This programme set out to deliver our new operating model, which has been accompanied by a full Council restructure which has now concluded. This work included several workstreams which have been delivering a range of benefits and improvements to how customers and residents access our services.

These workstreams have included:

#### Partnership working

- Engaging with residents to develop a 2040 vision for Slough which partners across health, education, police and the third sector are signed up to

#### Digital and technology

- Roll out of Office 365 supported by mobiles and new telephony to allow us to collaborate and work in a more technology enabled and agile way
- The launch of our new website and digital platform to support our channel shift strategy to support more people to access our services online and self-serve

#### Localities

- Decanting from Landmark Place
- Developing our new locality offers which are part of our new operating model and ways of working, providing a platform to work more closely with partners at a neighbourhood level and ensure services are tailored to the needs of communities as much as possible

#### Organisational design

- Restructuring our whole Council and introducing a new senior leadership team with five new directorates
- Introducing new role profiles that provide organisational agility and flexibility as we adapt and evolve as an organisation over time
- Introduction of Objectives and Key Results (OKRs) which helps us to ensure we are working together effectively towards aligned objectives



- Significantly improved clarity on the workforce and financial data across the organisation

## Governance

- Improved governance across areas such as Companies, albeit recognising that there is much still to do.

All this work has been supported by intensive coordination of communications and culture change activity, including a focus on our brilliant basics and how we work across the Council.

Our operating model was launched in April 2021 and given the emergence of our financial challenges; it is still embedding with a number of vacancies being held. Some of the enablers required to support this new model still need to be taken forward and have been delayed as we unpick some of the questions about investment that may be required. Examples include financial capacity and expertise, improvements to our digital and ICT infrastructure and improvements to our data and insight capability so we can empower services to access and maximise insight more effectively.

Our Futures has provided us with a solid platform to move forward with our recovery and renewal. The flexibility we now have with our new organisational design has equipped us with the agility to make changes more easily as we adapt and respond to our current financial position.

It is proposed that key critical activity from Our Futures is reassessed and reprioritised accordingly and integrated into our recovery and renewal plan. At an operational level this would include:

- Achieving permanence in key areas such as Revenues and Benefits and Adult Social Care
- IT improvements such as WIFI and telephony

It would also include the key enablers referenced in 2.2.6.

In addition, the new programme will oversee the necessary restructuring arrangements that will be needed in the short term at Directorate level and in the medium term as part of the right sizing journey.

### **3.2.2 Our Recovery and Renewal Strategic Plan**

Recovery and renewal will form the basis of the Council's new strategic plan and will support the 2040 vision for Slough. The 2040 vision is a shared partnership vision, and the contribution to delivering the vision over the next nineteen years is a joint effort alongside our partners. Whilst SBC's investment to deliver the vision will be curtailed in the short-term as we navigate our financial challenges, we want to ensure the 2040 vision remains front and centre to our strategic ambition for Slough as a town.

A new corporate recovery and renewal plan is needed to:

- Align SBC's internal priorities to the Slough 2040 Vision and our partnership strategies
- Recognise the severity of the financial situation and the scale of the challenge facing SBC
- Strike a new tone – from doing / intervening to enabling / facilitating and recovery

- Provide the basis for the new strategic framework
- Guide the planning and delivery of services
- Enable performance reporting and management to drive outcomes.

The strategic plan will be governed as follows:

- The Strategy Leadership Team is accountable for the design and delivery of the Corporate Recovery and Renewal Plan 2022-2027
- The Strategic Finance Board is accountable for the Medium-Term Financial Strategy 2022-2027, the Strategy Leadership Team is responsible for implementation of this.

It will also align to the following groups to ensure there is a coherent strategic direction:

- Slough Wellbeing Board
- Other Strategic Partnerships
- Localities and Strong, Health Attractive Neighbourhoods Plans
- Slough Leaders Group.

Our new strategic plan will:

- Ensure that all plans are looked at with great rigour through a financial lens reducing expenditure as far as possible, maximising income and minimising future commitments
- Replace the current five priority outcomes and structure around eight themes of 2040 vision
- Have greater specificity to ensure initiatives can be costed and delivery can be assessed
- Align with the new place brand in terms of the narrative, values and imagery
- Be framed as recovery and renewal plan
- Be more accessible for residents
- Adopt a multimedia approach – webpage, video, document
- Shift the tone towards more enabling / facilitating, reflecting the severity of our financial situation
- Form a key pillar of new strategic framework
- Establish clear links / relationship between corporate plan and partnership strategies.

We will aim to produce an outline plan for November 2021, with a more detailed plan to follow in February 2022.

### **3.2.3 Our Recovery and Renewal Programme Delivery Plan**

We are establishing a recovery and renewal plan and have introduced a governance structure to ensure we are able to oversee this rigorously and respond to any external scrutiny from the Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA.

Our recovery and renewal delivery plan is outlined below and consists of three parallel priorities:

1. Balance our budget for 2021/22 and 2022/23 and beyond
2. Becoming a right sized Council

### 3. Our core enablers

We will develop a clear strategic plan which brings all these priorities together, aligned to our 2040 vision, by February 2022.

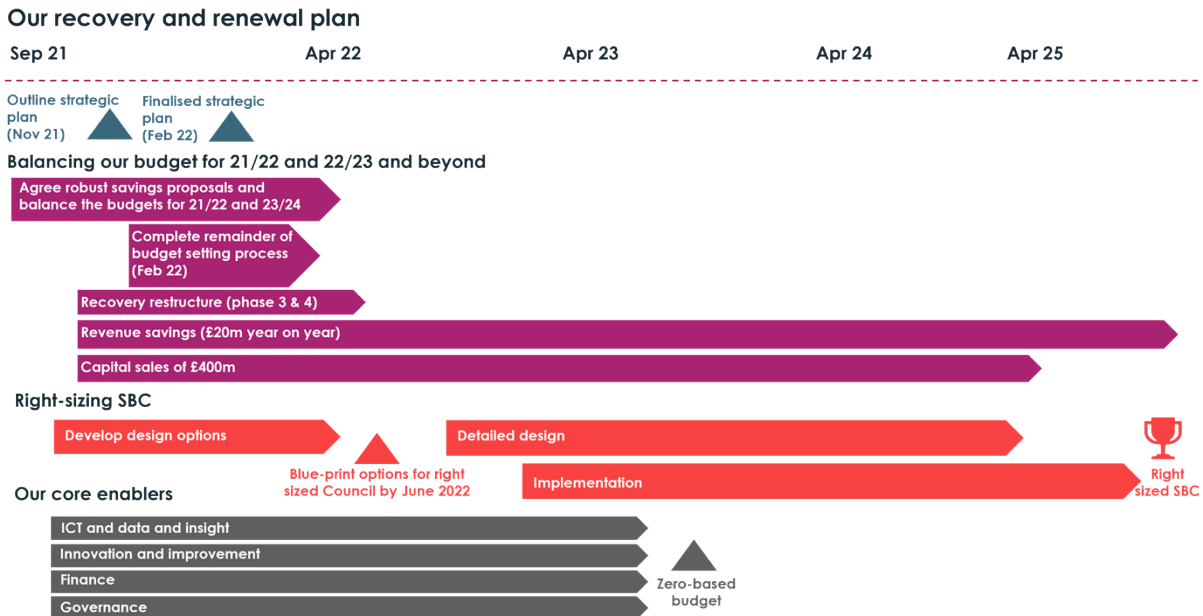


Figure 1 Our recovery and renewal plan

#### 3.2.4 Balancing our budget for 21/22 and 22/23 - securing our short-term financial position

Since June 2021 we have been working urgently across the Council to secure savings proposals that will contribute to balancing our budget for 2021/22 and 2022/23. The Directorate structure will be reduced.

#### 3.2.5 Balancing our budget for the longer term

The Council will need to continue to make considerable savings each year and the process to continue this significant challenge will need to be maintained beyond 22/23. Ongoing rationalisation of the structure is likely to happen during this time.

There will need to be asset disposal programme of an extensive magnitude.

#### 3.2.6 Right sizing our Council

We have started to think about the Council of the future, and how we move to a position of financial sustainability by 2026. We have developed some early thinking and ideas as to what a right sized model for the Council would need to look like. This will involve us needing to reassess and challenge the Councils' role in direct service delivery and explore alternative delivery models where these are appropriate. We aim to work towards a position where we have a blueprint for this to be considered and approved by full Council in June 2022 following rigorous options appraisals.

Right sizing will centre on what our core offer is as a Council. Given the financial situation we are facing, we will need to ensure we focus on the statutory minimum. Where we deliver services above this, we will need to be clear on the benefits required from additional financial investment and be clear as to the rationale in doing so, working

alongside our partners. We have started to work on our draft core offer, and this will support our thinking on right sizing the Council.

This programme of work will be undertaken using the Five Case Model approach, recommended by HM Treasury and described in more detail in the Financial Management Update on this agenda.

### **3.2.6 Core Enablers**

As outlined in 2.2.1, there will be some residual activity from Our Futures that will be incorporated within this recovery and renewal plan. There are also some enablers that are required for our financial recovery, and recommendations made on strengthening our governance.

#### Finance

For the longer-term recovery, the main financial enablers will be:

- Sale of £600m of assets
- A considerable downsizing of the Council – services and staffing – and determining which services the Council can cease
- Some investment in a limited number of services to allow the Council to safely function
- A zero-based budget approach from 2023/24 that will ensure that all expenditure must be justified for each new period. This process will start from a "zero base," and every function within the Council will be analysed for its needs and costs and reduced wherever possible.

#### Digital and ICT

We are currently reviewing our digital and ICT programme to make sure we are prioritising the right things. As part of Our Futures, we made significant improvements to our ICT. However, we still have some challenges around our infrastructure and servers which will require investment, and we will need to maintain the channel shift priorities that underpin the Our Futures operating model. We will share more on the shape of our reprioritised digital and ICT improvement programme over the coming months.

#### Data and Insight

As part of Our Futures, we have started to make improvements to our data and insight. This includes data governance and data architecture. To harness the insight from our data to support our service delivery and decision making, further improvement work is required. This workstream is currently being reviewed and reprioritised in line with investment requirements. We will share more on this over the coming months.

#### Governance

We have improved governance across areas such as Companies, albeit recognising that there is much still to do. We will review the recommendations from the MHCLG report

when it is released, and we will ensure that our governance improvement priorities are aligned to the areas that need to be addressed.

### **3.2.7 Engaging with our residents**

The Chief Executive's response to the 114 reported to full Council in July committed to full public consultation and engagement. The engagement plan is being finalised and will be presented to Cabinet in October 2021.

### **3.3 Comments of Other Committees**

Cabinet considered the report at its meeting held on 20<sup>th</sup> September 2021 and resolved to recommend the report to full Council for determination.

## **4. Implications of the Recommendation**

### **4.1 Financial implications**

There will be financial savings that will need to be worked through in greater detail and proposals will need to be robust and deliverable.

### **4.2 Legal implications**

The Council has a number of statutory duties in relation to strategy and financial management. This includes a best value duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Decisions in relation to strategy and financial management will need to be made by all levels of the organisation. Full Council will be responsible for estimating and setting the budget for the purpose of setting council tax. Full Council is also responsible for approving the policy framework, which includes a list of prescribed statutory plans and strategies, as well as plans or strategies for the control of the Council's borrowing, investments or capital expenditure or for determining the Council's minimum revenue provision. Decisions made at Full Council level will include responsibility for approving an updated 5-year plan, as well as approval of the Treasury Management Strategy and the Capital Programme. Cabinet is responsible for determining how expenditure will be incurred, so long as this is in accordance with the overall budget and for setting policy outside of the prescribed policy framework. This means that Cabinet should be involved in decision-making around service provision, where these decisions are not within delegated authority for officers.

### **4.3 Risk management implications**

As we focus on our recovery and renewal, we will develop a risk log which links to our corporate risk register. Below we have summarised some of our main risks and will ensure these are reflected the appropriate risk registers.

Risk description	Impact	Current Controls	Risk score
Intervention from MHCLG	<ul style="list-style-type: none"> <li>• Will depend on the extent of intervention, but will likely bring further disruption for staff and the leadership team as they understand the impact of any new arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Early planning and prioritisation of recovery and renewal activity with the leadership team</li> <li>• Engagement with MHCLG to understand headline recommendations from their report so that early programme planning is focused in the right areas</li> </ul>	15
Capacity and capability including losing key and valuable staff	<ul style="list-style-type: none"> <li>• Loss of expertise and corporate memory</li> <li>• Risk to service continuity and delivery</li> <li>• Staff become demotivated and morale suffers</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a robust communications plan so staff understand the journey to recovery and renewal and what it means for them</li> <li>• Continued focus on staff development through roll out of Skills Lab</li> <li>• Monitoring of staff turnover as part of the corporate dashboard so this can be monitored, and action taken as required</li> </ul>	20
Service delivery	<ul style="list-style-type: none"> <li>• Risk to service delivery and statutory obligations</li> <li>• Risk to safeguarding</li> </ul>	<ul style="list-style-type: none"> <li>• Business cases for savings proposals are being considered with expected rigour, including equality impact assessments to understand impact on service delivery</li> <li>• Any right sizing proposals are being developed using the HM Treasury business case model</li> </ul>	20
Impossible ask	<ul style="list-style-type: none"> <li>• Decreased motivation and risk of burnout of staff</li> </ul>	<ul style="list-style-type: none"> <li>• Open dialogue with MHCLG on what is achievable and what is required for success, such as the funds provided by any capitalisation directive</li> </ul>	15

#### 4.4 Environmental implications

At this stage these are unknown but will be assessed as part of the options appraisal process.

#### 4.5 Equality implications

There will be a number of impacts that these changes will initiate. A full equalities impact assessment is part of every business case being assessed.

#### 4.6 Equalities Impact Assessment

As outlined in 4.5.

#### 4.7 Workforce implications

There will be workforce implications that will result from the rightsizing of the Council. The Council's policies on consultation with affected areas will be part of the options appraisals.

#### 4.8 Property implications

There will be property implications as we consider the shape and size of the Council. This will be considered as part of the options appraisals.

### **5. Background Papers**

None.

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## **RECOMMENDATION OF THE CABINET FROM ITS MEETINGS HELD ON 20<sup>TH</sup> SEPTEMBER 2021**

### **B) FINANCIAL MANAGEMENT UPDATE**

#### **1 Purpose of Report**

To provide Council with the first of a series of planned updates on work planned and being undertaken to improve all aspect of the Councils financial position.

#### **2 Recommendation**

Council is requested to note the current position of the financial recovery work.

#### **Report**

#### **2(A) Context and Summary**

2.1 As Members are aware the Council has in recent months:

- received two reports from the external auditor containing 17 recommendations and 6 statutory recommendations
- received an opinion for 2020/21 from the internal auditors building on a series of reports in recent years
- issued a S114 notice with a then estimated financial gap of £174m
- and is awaiting two reports from MHCLG and CIPFA commissioned as a consequence of the capitalisation direction submitted in 2020
- and will be submitting a capitalisation direction in excess of the £174m for the period 2016/17 to 2026/27

2.2 The financial position of the Council is unprecedented nationally and over time and covers a wide range of issues, all which are being addressed. The position continues to develop and resolving these matters will take an estimated 4 years in full as has previously been advised with the bulk, but not all, issues being identified in the first 2 years. Stabilisation of the Council's budgetary position will take beyond that

2.3 The report provides an update on the main issues currently being examined. Most of the work being undertaken is at the investigation and design stage although several major streams of work have already commenced

2.4 Grant Thornton the Council's external auditors recommended and the Council agreed that there would be a report to each Council meeting on the accounts. It is assumed that one outcome of the MHCLG/CIPFA review may be a requirement for a regular report to Council on the budget. Thus the opportunity has been taken to begin to develop a comprehensive update on the Council's finances, processes etc. This will develop further over time. It should also be noted that the embedding of

the greatly enhanced practise being developed will take some considerable time to fully implement as will the related culture change

- 2.5 Issues will continue to emerge throughout this process - they will be reported as and when available through the appropriate reports

### **EXECUTIVE SUMMARY**

- 2.6 This summary covers the seven substantive issues in the paper and advises how they are being led and managed. As much of this work is at the investigation and design stage the report below summarises and explains the current and planned positions. From the November Council report a usual RAG status report will also supplement this

**accounts** – the Council has accounts going back to 2016/17 that require prior period adjustments/review/completion. This report sets out the process the Council will be following going forward. This is a proven exemplary process that has been introduced and operated very successfully in other Councils. The process is heavily dependent on the finance team and is being launched on the 21<sup>st</sup> September with an aspirational target completion of 31/3/22 for all accounts upto 2020/21

at this stage the design is complete and is set out for Members information, investigative work continues on the Council's records to allow work to commence which will be driven through the finance team

completion of the accounts is extremely important as it is a significant identifier of the Council's actual financial position thus allowing it to budget with more confidence, ensure future issues are minimised and demonstrate its stewardship of public monies

**budget** - the Council has a series of budgets, capital, treasury management, revenue etc. The management of these has been and continues to be extensively reviewed

a review of the capital programme is nearing completion which subject to Member agreement will see a considerable reduction in the programme. In addition proposals to facilitate the generation of very necessary and significant asset sales are reported here and elsewhere on this agenda. These will finance the forthcoming capitalisation direction and reduce borrowings thus likewise reducing the revenue budgetary impacts of the capital programme which are excessive and which are extremely challenging for the Council. This is a major strand of the Council's future financial recovery

linked to this the treasury management strategy which depends on the capital programme will be significantly revised. In the short term the Council has over £230m of short term borrowing maturing in the next seven months and is currently engaging with MHCLG and HMT on instigating as necessary replacement borrowing

the revenue budget was neither fully prepared nor savings allocated out in the 2021/22 budget process and work has been ongoing since to verify budgets and savings plans for 2021/22 and to generate savings for the already Council agreed 2022/23 budget. A great deal of work has been undertaken by colleagues since July and this continues on an initial planned timeline to Scrutiny in November. Work will also continue beyond that date on the budgets for both years

work on the Housing Revenue Account is about to start and an initial plan to start to address the deficit in the DSG has begun. This will be subject of a separate review in November and may require a further year's work given the scale of the challenges facing the Council

**companies** - the Council has ten companies, 5 of which are active. The 5 dormant ones will be closed down. This report sets out the work to date and identifies that it is clear that significant improvements can be made to inform the Council's strategic use of companies and strengthen the governance, management, financial reporting and performance management of the companies

currently work has begun on three of the companies – GRE5, SUR and Housing companies, some of which has already been reported into Cabinet and Council

a full suite of activity will be undertaken during the next eighteen months

**internal  
audit -**

the council has a large number of outstanding actions in response to internal audit reports going back to 2016/17. A lot of work has been undertaken recently to agree outstanding actions and the focus is now turning to resolving these and more pro actively dealing with internal audit reports going forward. This will taken an estimated six to twelve months to get most matters to where they need to be

**systems -**

the Council utilises Agresso for its core financial and other systems. A review has been undertaken and requirements are being established which will allow the Council to improve its utilisation of the system and better under pin its financial and other work. This will be determined by November

**finance  
team -**

the Council has a very large quantum of work to do to rectify the previous issues and put the Council on a sound financial footing. The external auditors have recommended that the Council invests significantly in its financial, and other, resources and it is understood that this may be a similar requirement arising from the CIPFA review. While the Council has a number of highly professional national leaders now working for it with proven technical, leadership, project management etc skills there is a need to fill gaps in the service at a

more operational level. This is currently being addressed. As is the need to secure for the Council an appropriate permanent structure. The former requirements are imminent, the latter will be designed for October

## **financial management –**

as part of the change management of the Council finances new standards are being introduced. Those so far introduced are budget monitoring guidance, financial modelling, business cases for various magnitudes of work and VAT/taxation reviews

- 2.7 All projects have nominated finance team leaders and project plans where the identification and design work has been completed. In many cases both of these aspects remain continuously developing. At the current time much work is also focussed on resolving immediate issues such as treasury management which could otherwise put the Council at further severe risk. All current projects will with effect from the end of September be reported at a line by line level as well as through normal leadership, cultural and programme management processes
- 2.8 Assurance is currently also provided to Members through the fact that:
- the team has identified a wide range of issue which while very real and imminent were previously unknown to the Council
  - the CIPFA review is expected to not challenge the £174m as reported in the S114 report and agree that this sum will increase
  - the outcome of at least one of the two external reviews that have recently taken place is expected to be complimentary of the work undertaken by the finance team in the time available
  - the design of approaches etc to tackling the issues is progressing to a very high standard
  - all of these have or are being started to be dealt with, embedding good practise will take some considerable time
  - the regular reporting, such as this report, which is already taking place
  - weekly engagement with Lead Members on appropriate issues
- 2.9 All of the work is extensive, demanding and will continue to evolve

### **3 Accounts**

#### 2018/19 statement of accounts

- 3.1 The statement of accounts for 2018/19 was presented to the Audit and Governance Committee in May 2021, but the external auditors have not yet provided an audit opinion. The issues preventing an audit opinion are:
- a. a business rates appeal which had not been provided for;
  - b. impairment of a loan to Slough Childrens Trust; and
  - c. agreeing a way forward regarding the understatement of minimum revenue provision (MRP) for the period 2016/17 to date.
- 3.2 As the 2018/19 statement of accounts will have to be signed by the new S151 officer, appointed in May 2021, assurance is needed that the 2018/19 accounts are fairly presented.
- 3.3 Therefore, in view of the external audit issues and the need to provide assurance over the 2018/19 accounts, the plan will be to provide a form of triage on the working papers for 2018/19, which may result in further restatements to the 2018/19 accounts to address the issues raised by external audit.
- 3.4 This opportunity will be used to re-organise the statement of accounts to reduce duplication and put the notes into a more logical order to support the statements.

#### 2019/20 and 2020/21 statements of account

- 3.5 In order to try to catch up on lost time, the plan is to run the preparation of the further two year's accounts in parallel. The theory is that issues are likely to be the same for both years and therefore it will be quicker and more effective to address them at the same time. For example, if there are issues with capital accounting, then they will be prevalent in both years and therefore simpler to resolve at the same time for both years.

#### Materiality

- 3.6 The external auditors used 1.5% of gross expenditure as the threshold for assessing overall materiality when planning for the 2018/19 audit of accounts, which produced an overall materiality level of £5.9m. However in view of the s.114 notice issued in July 2021 and the new finance team's concerns over the weaknesses in internal controls referred to in the s.114 Notice, a lower level of materiality should be planned for.
- 3.7 Therefore, for the purpose of planning the preparation of the accounts for 2019/20 and 2020/21, overall materiality will be set at £4m based on 1% of gross expenditure in 2018/19 of £398m. Consequently, it is not proposed to report disclosure notes where the balance falls below this level.
- 3.8 Members allowances, exit packages, officer remuneration and related party transactions have all been identified as sensitive disclosures as they tend to attract the most interest, therefore officers plan to ensure that these are accurate to the nearest £.

## Approach

- 3.9 The aim will be to use a whole team approach using as many of the existing finance team as possible in order to upskill permanent members of staff and to spread the workload. This will need to reflect that a number of key finance staff are likely to be heavily involved in other tasks such as the expenditure control panels.
- 3.10 The standard approach is that individual officers will be assigned a disclosure note to prepare (the preparer) and that each disclosure note will be subject to first line QA review by a reviewer. Given that some staff assigned a review role may be unfamiliar with undertaking QA review, then all work be subject to second line QA review. This will ensure that both the quality is maintained and the first line reviewer and the preparer understand the standard that the Council is aiming for.
- 3.11 For the 2019/20 and 2020/21 accounts standard closing folders for both years will be set up with folders for each core statement and disclosure note
- 3.12 All working papers will be filed on these folders so that there is a clear trail back from the accounts to centrally filed working papers rather than information filed on personal folders which seems to have been the experience in the past.
- 3.13 For each core statement and disclosure note standard template workbooks will be used to collate information and produce the relevant disclosure. The purpose of using the standard template workbooks is to ensure there is a clear audit trail between the information reported in the accounts back to source documentation, and to provide clear evidence of quality assurance in the accounts preparation process.
- 3.14 Each accounts workbook is structured with the following:
- a) summary sheet to collate and summarise the work done and containing hyperlinks to supporting information
  - b) QA checklist – a standard checklist to evidence the QA, each checklist is tailored to the individual disclosure note
  - c) review sheet for the reviewer to document their review and the preparer to use to respond to queries raised through the review process
  - d) disclosure checklist – an extract from the CIPFA Accounts Disclosure checklist to ensure that the disclosure meets Code requirements
  - e) analytical review to compare the current year with the previous one and seek explanations for variances over £1m;
  - f) Grant Thornton (GT) expected paper checklist –an extract from GT’s expected working paper list relevant to the disclosure or core statement linked to the information requested;
  - g) disclosure note;
  - h) supporting working papers – which may be in the same workbook or hyperlinked files.
- 3.15 For 2018/19, the standard working paper filing system will be used and populated with the existing working papers. Discussions with external audit highlighted that although GT had provided an expected working paper checklist for the 2018/19 audit, the Council’s finance team did not complete this. Consequently, most of the working papers used to support the final accounts for 2018/19 had to be requested individually by GT and were supplied to them via GT’s audit software – Inflo.

- 3.16 A review of the 2018/19 working papers on the Council's X: drive does not readily show a suite of working papers pulled together for GT. A copy of the working papers provided to GT has been requested from them so that the Council has a record and can see what was provided, and from what source.
- 3.17 For all three years main accounts, the Council will be moving away from the Big Red Button approach which the Council had been using in previous years. Instead, the Council will use a model with in-built validation checks which has been used before. The format will be A4 landscape and thus easier to view on-screen which is the way most users of the accounts view the annual statement of accounts.
- 3.18 Clearly this will mean restating the draft 2018/19 Statement of Accounts into the new format, but the 2018/19 accounts will be subject to triage to provide assurance for the s.151 officer. Restating the accounts will form part of that triage and enable us to draw out underlying issues.

#### Risk areas

- 3.19 The following areas have been identified as high risk either by the external auditors or from the Council's own assessment of the previous year's accounts:

#### *Capital accounting and fixed asset register*

- 3.20 The risks seem to be completeness and accuracy due to lack of controls over disposals and transfers, and misclassifications - for example electricity sub-stations have been classed as investment property, and the Thames Valley University site acquired for investment development has been classed as an operational asset.
- 3.21 In addition, the Council has been valuing its assets on a 5 yearly cycle. However, the Covid-19 pandemic has impacted quite significantly on some classes of asset valuation. Therefore, continuing to use a 5 yearly valuation cycle may overlook significant changes in value between valuations for some asset classes.
- 3.22 Work on the IT budgets has highlighted that revenue expenditure has and is being incorrectly charged to capital.
- 3.23 Therefore, work will be to:
- a) confirm asset movements in year have been correctly identified and accounted for;
  - b) confirm disposals to third party sources (e.g. schools to the DfE academy listing), land registry etc
  - c) review and correct asset classifications
  - d) engage the valuer to provide revised valuations as necessary. This may identify errors in previous years' accounts, in which case an assessment will need to be made of the need for a prior year adjustment.
  - e) review the valuation cycle with a view to commissioning more frequent valuations for higher value assets.
  - f) review capitalisation of revenue costs.

### *Bank reconciliations*

3.24 GT's May 2021 report highlighted issues with the complexity of the processes for producing the bank reconciliation.

3.25 Work will be undertaken to:

- a) review and simplify the bank reconciliation process.
- b) review the number of accounts in use with a view to reducing these.

### *Capital commitments*

3.26 GT's May 2021 report highlighted that the capital commitments disclosure in the 2018/19 accounts had been produced from the approved capital programme rather than a list of outstanding contractual commitments.

3.27 Work on this note will link back to the Council's contracts register.

### *Debtors and creditors*

3.28 GT's May 2021 report identified that debtor and creditor balances were not regularly being reconciled to feeder systems and resolved items cleared down.

3.29 Work will be undertaken to review the evidence supporting debtors and creditors and ensure that reconciliation processes are in place and operating effectively.

### *Dedicated Schools Grant (DSG)*

3.30 GT's May 2021 report commented that the Council had reported the DSG balance as a negative reserve. The 2018/19 accounts reported a negative balance £7m in respect of central items (i.e. the Special Education Needs block).

3.31 CIPFA Bulletin 09 *Closure of the 2020/21 Financial Statements* highlights that under the School and Early Years (England) Regulations 2020 from 1 April 2020, schools budget deficits may not be funded from General Fund but must be carried forward as negative reserves to be funded from future DSG income unless permission has been obtained to fund the deficit from General Fund resources.

3.32 Whilst the above Regulations took effect from 1 April 2020, the CIPFA Closedown bulletin for 2019/20 suggested that the same accounting treatment could be applied retrospectively for 2019/20 i.e. for the DSG negative balance to be reported as a negative balance. Therefore, the Council will continue with this practice, but with a commentary on work being undertaken with schools and the DfE to rectify the position.

### *Group accounts*

3.33 GT's May 2021 report commented that the Council had a number of Group entities some of whom did not have year-ends which aligned with the Council year-end and recommended re-aligning those companies' year-ends to ease closedown.

3.34 In addition, the Council's review highlighted that there were a significant number of Group entities, which may not have been considered for Group accounts.



3.35 Work will be undertaken to re-assess the entire range of interests which the Council has engaged with to ensure that all those which are material to the Council have been consolidated and that the remainder have been appropriately reported.

*Long-term debtors*

3.36 GT's May 2021 report noted that a loan to James Elliman Homes had not been properly accounted for as a soft loan even though it was provided at a below market interest rate.

3.37 Other work on the Council's companies has highlighted concerns over the identification and accounting for loans to entities within the Council Group.

3.38 Therefore, work will be undertaken to confirm the completeness of loans advanced, the terms of those loans and the proper accounting treatment to be applied.

*Declarations of interest*

3.39 GT's May 2021 report noted concerns that:

- a) councillor and senior officer declaration forms were not dated and in some cases not signed; and
- b) interim staff were not required to complete the Register of Interests of Hospitality Register.

3.40 Work will be undertaken to ensure that:

- a) all declarations are signed and dated and are updated annually. Given that there were Council elections in May this year, then newly elected or re-elected Members should have had to renew their declarations.
- b) all interim staff occupying senior posts are included in the declaration process.

*HRA stock valuation*

3.41 GT's May 2021 report commented on consistencies between the Capita Housing Rents system and the Fixed Asset Register.

3.42 Work will be undertaken to ensure that the two systems are being reconciled monthly and that beacon properties used in the stock valuation process remain relevant and representative of the stock.

*Staffing numbers*

3.43 GT commented that the staffing report used to generate the number of full-time equivalent staff numbers for the banded remuneration disclosure had to be run several times before it was fit for purpose.

3.44 Work will be programmed to ensure that the payroll interrogation is properly run.

### *Financial instruments*

- 3.45 In addition to the soft loan issue highlighted above, the Council's investment in the CCLA Pooled Property Fund had been misclassified in the draft 2018/19 accounts, highlighting a lack of understanding about the current accounting for financial instruments under IFRS9 which came into effect from 1 April 2018.
- 3.47 Work to be undertaken will include a thorough revisit of the classification and accounting for all financial instruments.

### *PFI*

- 3.48 The Council has one PFI contract for three schools which commenced in 2006/07. Experience at other local authorities suggests that often the passage of time means that there is no-one at the authority with a reasonable understanding of the contract, which runs the risk that the future liabilities may be misstated.
- 3.49 Work will be undertaken to review the accounting against the financial model for the contract. This will help put the Council on the correct footing for when IFRS16 Leasing is implemented with effect from 1 April 2022.

### *Leases and investment property*

- 3.50 The Council has a substantial investment property portfolio (£108m). Review of the performance reporting of the investment property shows that no operating costs or financing costs have been taken into account. Therefore, there is a risk that costs and performance have been mis-reported in the accounts.
- 3.51 In addition, some of the leases appear to have been granted with rent-free periods. If the rentals have been accounted for on a cash basis, then there is a risk of misstating rents receivable.
- 3.52 Work will be undertaken to identify and review all leases and review the accounting treatment.

### *Minimum Revenue Provision*

- 3.53 The Council's review of previous years' accounts highlighted that MRP had not been calculated correctly in line with the Council's stated MRP policy since 2016/17. Issues identified include:
- a) not charging any MRP on the £150m balance of unfinanced capital expenditure as at 31 March 2016 for the five successive financial years;
  - b) basing MRP on new borrowing taken out rather than the amount of unfinanced capital expenditure incurred in the year;
  - c) applying a blanket asset life of 60 years (changed to 50 years in 2018/19) regardless of the asset's actual useful life;
  - d) incorrect discount rate used in the annuity calculations.
  - e) applying capital receipts to reduce the MRP
  - f) applying a "saving" from changing from a straight-line MRP approach to an annuity approach as if this policy had applied in the years before the change in the MRP policy.

3.54 The individual capital financing of each capital scheme since 1 April 2016 will need to be reviewed to establish the correct MRP charge for each scheme. This will need to match the annual capital expenditure and financing disclosure.

*Post balance sheet events (PBSEs)*

3.55 Because of the lapsed time since the end of each of the financial years' accounts it will be necessary to undertake a detailed post balance sheet events review to identify issues which have arisen since the relevant year-end. Clearly the three major issues which have occurred are:

- a) the Covid-19 pandemic which has impacted on asset values and income streams;
- b) the UK exiting the European Union; and
- c) the issuing of the s.114 Notice in July 2021, which impacts on the future financial position of the Council.

3.56 Work will be undertaken to assess the PBSEs in liaison with Grant Thornton.

*Going concern*

3.57 Going concern assessments have been an issue at other local authority audits for the past few years. The issuing of the s.114 Notice in July 2021 potentially calls into question the future financial viability and sustainability of the Council. However local authorities are creatures of statute and cannot therefore go out of business without statutory changes. The National Audit Office (NAO) published [Supplementary Guidance Note 01](#) to auditors in April 2021 on the application of ISA 570 *Going Concern* to NHS bodies and local authorities.

3.58 The final accounts closedown plan will include a going concern assessment for all years, and the Council will work closely with the external audit team to ensure that accounting and auditing standards are met.

**Accounts preparation team**

3.59 The Council will be using a whole finance team approach delegating individual notes to staff throughout the finance team. Training has been developed for these officers and this approach will upskill finance staff across the Council

**Accounts timetable**

3.60 A detailed timetable is being finalised but will need confirming based on staff availability. The broad outline will be:

Undertake triage of 2018/19 accounts	August 2021 to September 2021
Tackle high risk areas for 2019/20 and 2020/21	October 2021 to November 2021
Prepare accounts 2019/20 and 2020/21 accounts	December 2021 to January 2022
QA/review accounts	February 2022
Publish 3 statements of accounts plus 2 prior period adjustments	31 March 2022 – <b>aspirational provisional</b> date and subject to audit

## Technical guidance and training

- 3.61 Recognising that there has been a very substantial loss of senior finance staff, and that using the wider finance team will involve staff less familiar with financial reporting, all staff will need access to standard guidance such as the CIPFA Practitioner Guidance Notes to the Code. All guidance will be filed in the Guidance folder in the relevant year's closedown folder.
- 3.62 In addition, the Council will hold weekly technical briefings on specific issues. In the past these have been run as "Techy Tuesdays" to cover topics such as:
- a) understanding the auditor;
  - b) working papers and evidence;
  - c) leasing;
  - d) capital accounting;
  - e) provisions, creditors and contingent liabilities.

## External audit liaison

- 3.63 GT use a cloud based system called Inflo to document their audits and to raise queries with audit clients. One of the challenges is keeping on top of the volume of audit queries generated by such approaches. Therefore, to manage the process a dedicated progress chaser to manage queries and chase up progress will be needed and will be arranged.
- 3.64 During the accounts preparation period two-weekly meetings will be held with the auditors to keep them abreast of issues as they arise and present any technical papers where a judgement may be required.
- 3.65 Once the audit commences, weekly meetings will be held with GT to manage the process.

## Work Undertaken to Date, Issues Identified and Being Addressed

- 3.66 The group assessment work has identified that the Council has a number of companies of which some are dormant. Action will be taken to formally close the companies with Companies House as they are not needed by the Council.
- 3.67 Working paper folders have been set up for all three financial years -2018/19 to 2020/21. Work has started in trying to identify and review working papers.
- 3.68 Fortnightly external audit liaison meetings have been set up
- 3.69 A programme of technical training for finance staff has been set up to start 21 September 2021 commencing with working papers and evidence.
- 3.70 The latest version of the 2018/19 accounts, presented to the Audit and Corporate Governance Committee on 18<sup>th</sup> May 2021, have been reviewed to simplify and strip out any unnecessary disclosures. The initial review has identified at least seven disclosure tables that could be removed from the 2018/19 accounts as they are below the £4m materiality threshold noted in para 7 above. This will be revisited again prior to publication of the accounts for all three years to ensure that the

accounts are simplified, and any unnecessary disclosures are removed so far as regulations allow us to do so.

3.71 The aspirational plan is to publish all three years' accounts including prior period adjustments for the two years 2016/17 and 2017/18 on 31 March 2022 – the Council's website will be updated accordingly

## 4 **Budget**

- 4.1 The Council's budget consists mainly of capital, generating capital receipts, treasury management, revenue – general fund, HRA and the DSG and reserves
- 4.2 Taking each of these in turn the **capital programme** was inadequately reported and controlled and has led to excessive unaffordable borrowing
- 4.3 In order to address this the Council has begun a process of review of the programme that will generate options that will include:
- reviewing all projects funded through borrowing
  - stopping projects that are not essential for Health and Safety or do not have a clear business case
  - reducing allocations where possible
  - deferring expenditure where possible
  - re-profiling expenditure over longer periods if possible
- 4.4 This process is ongoing, will be reported to a future Council meeting and if agreed will see a major reduction in the capital programme in future years
- 4.5 Linked to the capital programme, financing the capitalisation direction and reducing the level of borrowing the Council has also begun a process of commencing a proactive, but orderly disposal process to **generate capital receipts** which will be used firstly to finance these issues. In addition the Council will shortly conduct a procurement exercise in line with the Public Contracts Regulations 2015, to obtain the support of external organisations who can assist the Council with an ambitious programme of asset disposals over the next five years. This is a key strand of the Council's financial recovery

### Assets identified for potential disposal

- 4.6 The Council owns approximately 6,700 property assets (land and buildings) with a total value of £1.2bn. A summary analysis is provided below

**Table 1 – Council-owned land and buildings at 1 August 2021**

Category		Estimated Value	No. of Assets
		£m	No.
1	Investment Assets and land awaiting redevelopment	250	55
2	Assets not currently used in delivering services	20	25
3	General Fund Assets	380	375
4	HRA Assets	550	6,000
	<b>Total</b>	<b>£1,200</b>	<b>6,455</b>

- 4.7 All of these assets will be subject to an options appraisal based on:
- current running costs eg repairs, maintenance and utilities
  - current use and potential for re-purposing
  - contribution to Council priorities
  - where relevant, current investment returns
  - any restrictions on disposal

- expected pre-sale costs eg dilapidations and marketing
- identified disposal opportunities
- expected sales proceeds.

4.8 Marketing efforts can then be prioritised accordingly, within the overall objective of:

- realising disposal proceeds of £200m within two years ie by 1 April 2024
- using this first tranche of capital receipts to finance any Capitalisation Directions received from the Government
- realising further disposal proceeds of between £200m and £400m within the following three years ie by 1 April 2027
- using these disposal proceeds to repay existing debt.

4.9 Members will be advised of option appraisal outcomes in due course. In addition, all property disposals will be subject to formal officer or member approval in accordance with the Council's Constitution and Scheme of Delegation before any binding sale contracts are entered into. Currently these requirements state that:

- all assets valued above £1m will be subject to Cabinet approval.
- assets with a value of £1m or less can be disposed of via delegated authority by the Executive Director of Place, in consultation with the s151 Officer and appropriate Lead Member.

#### Use of external consultants – Proposed Approach

4.10 A disposal programme of this size will be complex and will require detailed and specialist knowledge of both local and national property markets – especially for complex/high value assets. Options available are as follows:

- Option 1 - Use internal resources to develop and implement the disposal strategy
- Option 2 – Use internal resources to manage the process but appoint external specialists to deal with the operational aspects of disposal.

4.11 It is recommended that Option 2 is pursued and that the Council seeks external support from organisations with a successful track record of working with local authorities on large, high profile asset disposal projects.

4.12 The specialist's key tasks would include:

- analysis of local market needs
- option appraisal for all land and buildings currently owned by the Council
- advising on how best to dispose of Council assets in a way that that delivers expected levels of capital receipts but still represents value for money
- arranging condition and site surveys
- advertising land and property for sale
- proactively identifying and contacting potential purchasers
- completing due diligence work on prospective purchasers
- identifying where appropriate potential sub-lease or sale and lease-back arrangements
- negotiating sale prices, terms and conditions on the Council's behalf
- undertaking value for money assessments
- appointing and liaising with legal advisers, valuers etc.

- liaising with Council officers and reporting to senior management team and elected members as appropriate.

4.13 Procurement of these services will be carried out in compliance with:

- the Public Contracts Regulations 2015,
- Council procurement policies, and
- expenditure Control Panel requirements.

4.14 The revision of the capital programme and the sales of assets has a major impact on the **treasury management** strategy. Nonetheless changes to this have been undertaken to deal with issues identified as part of the Companies review

4.15 One other immediate treasury management issue is also being actioned which is the Council's borrowing

4.16 The Council had temporary borrowing of £413.5m at 9/6/21

4.17 The temporary borrowing falls due in a fairly even pattern over the remainder of the year. As stated in the s.114 Notice, having such a high level of borrowing from other local authorities presents a significant re-financing risk, in that local authority lenders may refuse to lend to the Council forcing the Council to borrow longer-term at fixed rates.

4.18 Since July the Council has had one authority expressing a wish to rollover the loan to Slough BC, which is welcome. Also cashflows have been better than expected and the Council rebased its cashflow on the balances as at 6 July 2021 of £63m – an improvement of £36.8m on the previous forecast.

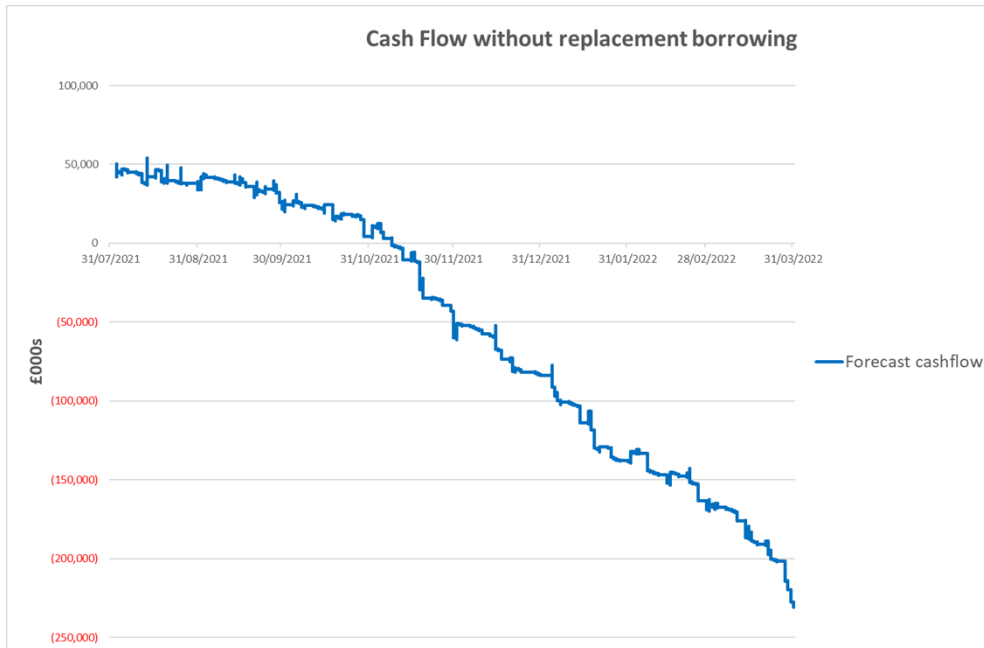
4.19 Nonetheless, if the lending authorities exercise their option to have the temporary loans repaid on maturity, then the Council will be required to repay £236.5m of temporary borrowing maturing before 31 March 2022 together with a £4m PWLB loan maturing in September 2021. The summary maturity profile of temporary borrowing by month from September 2021 to March 2022 is set out in Table 1 below:

**Table 1 Maturity of temporary borrowing by month to 31 March 2022**

Month	£m
September	27.5
October	19.5
November	56.0
December	25.0
January	36.0
February	30.0
March	42.5
	<b>236.5</b>

4.20 Modelling the Council's cashflows using the above information, the cash position is forecast to go overdrawn from 8 November 2021 and decline to around £240m overdrawn balance as shown in the chart below.





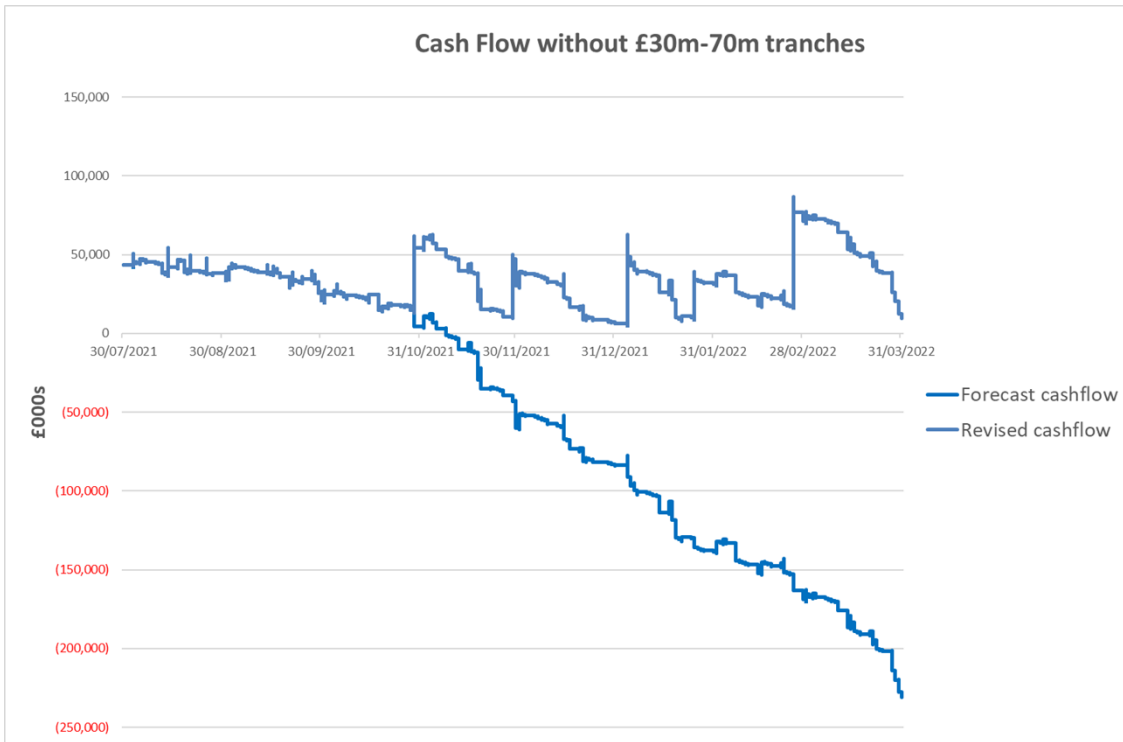
4.21 Using the above forecast, the Council would need to borrow to replace temporary borrowing from local authorities with effect from 29 October 2021 if none allowed a rollover of terms. The options are to take out a few large tranches of borrowing of between £30-£70m, or smaller but more frequent tranches of borrowing.

4.22 Modelling the two options will result in additional £240m drawdown up to 31 March 2022 as set out in the Table 2 below:

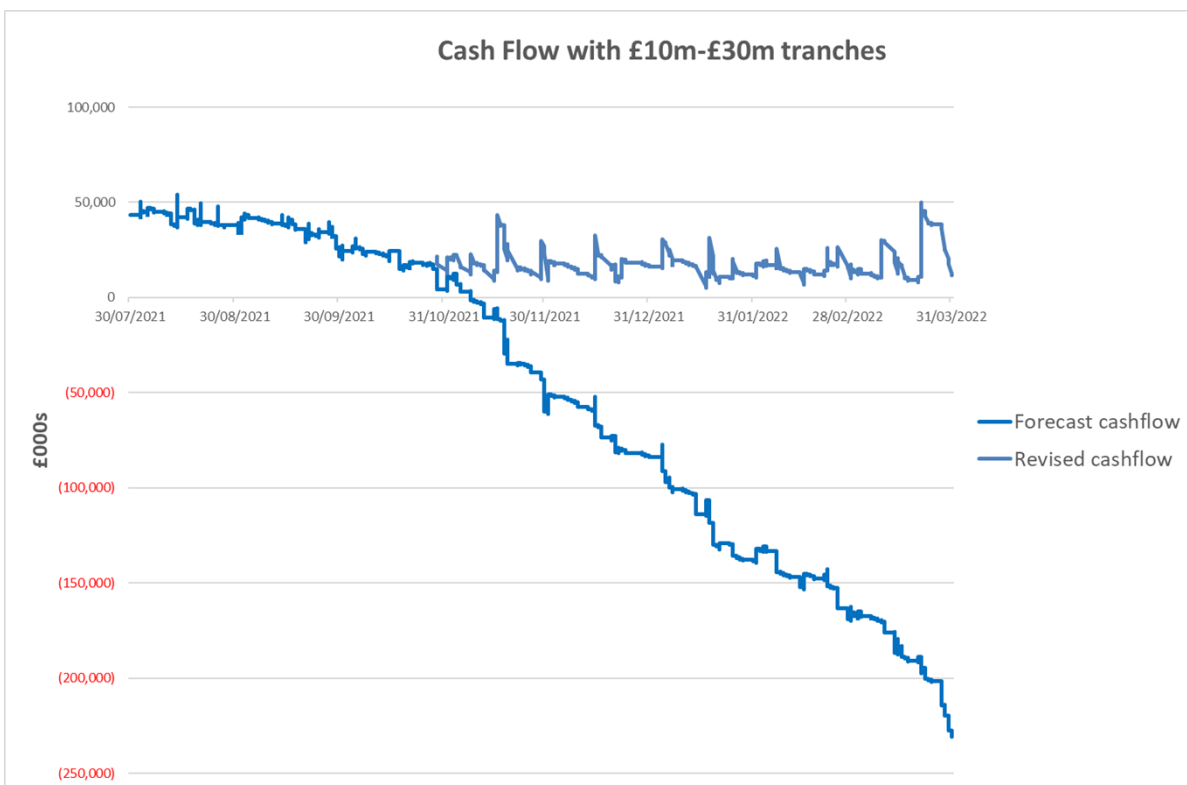
**Table 2 Schedule of replacement borrowing**

Date	£30-£70m	£10m-30m
	tranches	tranches
	£m	£m
29/10/2021	50	10
08/11/2021		10
16/11/2021		30
29/11/2021	40	20
15/12/2021		20
23/12/2022		10
04/01/2022	50	20
18/01/2022		20
25/01/2022	30	10
07/02/2022		10
22/02/2022		10
25/02/2022	70	10
10/03/2022		20
22/03/2022		40
<b>Total</b>	<b>240</b>	<b>240</b>

4.23 Modelling the cashflow with re-financing in five tranches of £30-£70m produces the following forecast. Whilst this reduces the number of deals, it results in an average cash balance of £26.9m.



4.24 Modelling the cashflow with 14 smaller tranches of £10-40m, this produces an average cash balance of £13.4m.



4.25 As reported in the S.114 Notice, the Council's current level of borrowing is unsustainable, and will need to be managed down to more sustainable levels. To do this the Council is embarking on a programme of asset disposals which aim to generate capital receipts, which can then be used to repay borrowing as it falls due.

- 4.26 In terms of borrowing strategy, if the Council replaces temporary borrowing with long-term borrowing, but then generate capital receipts enabling long-term borrowing to be repaid, then the Council runs the risk of having to pay premiums. Therefore for the period of the asset disposal strategy, the Council will aim to keep replacement borrowing on a more flexible footing, but balanced with the need to re-balance the overall debt maturity profile.
- 4.27 The Council can achieve the flexibility by replacing temporary loans from local authorities with short-term borrowing from the PWLB of up to 5 years (the period of the asset disposal programme).
- 4.28 In addition, the Council will consider whether it needs to borrow to finance the Capitalisation Direction. The above options will be considered
- 4.29 The Council's **revenue budget** for 2021/22 included a number of challenges comprising late completion of the budget, inadequate scrutiny of the proposals, allocation of only circa 50% of the savings proposals to departments thus compromising delivery/ownership etc
- 4.30 Since April the Council has addressed these issues, developed a short term plan to balance 2021/22 and 2022/23 budgets and is developing longer term planning for the financial years 2023/24 onwards. These actions include the below, some are short term, others will be developed over the medium/longer term beyond 2022/23:
- ownership of balancing both years 2021/22 and 2022/23 with departments with clear targets and requirements
  - weekly meeting at Director and Leadership level tracking progress across all Departments, re savings developed and supporting documentation
  - extensive engagement between finance and services to continually review all budgets, line by line reviews, correction of previous years issues, consideration of proposals etc
  - all proposals being backed up with a business case, savings action plan and equality impact assessment
  - peer and financial review of supporting documentation
  - expenditure control panels reviewing all expenditure requests
  - consideration will be given to extending the controls through restrictions to the Council's accounting system
  - at this stage a further S114 is not needed but will be considered in October should this prove necessary
  - introduction of zero based budgeting with effect from 2023/24. Zero-based budgeting (ZBB) is a method of budgeting in which all expenditure must be justified for each new period. The process of zero-based budgeting starts from a "zero base," and every function within an organization is analysed for its needs and costs.
  - The key objectives from ZBB are to:
    - Challenge exist budgets;
    - Gain a better understanding of what drives costs;
    - Set the foundations for thorough financial and service planning in the Councils Plans

Which in turn supports:

- Budget holder ownership of budgets, with support and challenge from Finance Business partners
  - Increased transparency of budgets – which will flow into reporting and forecasting
  - The identification of efficiencies, including the identification of service duplication and consolidation opportunities
  - Data cleansing
- The Council will ensure that as part of resolving its budgets it will pro actively seek options for financial savings by transforming, stopping, deferring or reducing services. Examples include:
- where services are provided above the statutory minimum
  - full cost recovery for fees and charges
  - where services cost more than average
  - a review of assets, eg centralising/rationalising including Child Care Centres among others
  - reviewing regeneration objectives to ensure they are cost effective
  - a review of the levels of service provided eg waste collection, street cleaning etc
- In order to maximise the return from this area of income, all services will scrutinise their existing fees and charges and consider the following:
- have all possible overheads been allocated and absorbed to the relevant area
  - is the service at breakeven, or even able to go beyond breakeven for any differential services
  - thus to achieve breakeven as far as possible may require above inflation rises
  - are all fees and charges being increased by inflation as a minimum where not fixed by statute
  - can any further differential or premium services be provided at little or no extra cost for the revenue it would generate
  - how does the Council's charging structure differ from other councils and are there any ideas we could apply in Slough
  - how do the Council's charges benchmark against other councils?
  - are there departments/costs which are incurred in one part of the business to the benefit of others which could be cross-charged to increase recovery from end users via an increase in fees and charges?
  - do we know what users are willing to pay and for what
  - have we reviewed the legislation recently to understand what we can and cannot charge for and to what level we can charge?

- Approaches in seeking to mitigate contract inflation and contract management in general include:
- is the Council clear which contracts are coming up for renewal in the next 2-3 years? Suppliers incentivising us to renew without tendering may be masking a highly profitable contract from which a tender could drive greater savings.
  - when reprocurring, insisting on CPI rather than RPI which is generally a higher rate and nowadays seen as being of less relevance?
  - assessing the nature of the service for costs which stay the same (up front capital investment) or reduce over time (technology). Hence whether an element of the service provider's cost should not be inflated or at a different/lower rate and which can be specified in the contract.
  - challenging suppliers to provide the service at a fixed cost through the life of the contract, on the basis that they can drive savings from the contract
  - incentivising/encouraging suppliers to find savings during the contract period which can then be shared between us (i.e. a reducing contract value)
  - asking suppliers what technology can be implemented to drive further automation/robotics, efficiencies and hence savings to our benefit?
  - and more generally on income generating/cost recharging contracts, do we have clear terms for termination/variations which enable us to vary or end supplier costs at the same time without being caught carrying a cost which cannot be recharged – are the terms “back to back”?

4.31 The immediate work for 2021/22 and 2022/23 will continue through to October beyond which Scrutiny will take place in November, Council Tax Base report in December with formal reports to Cabinet and Council in the New Year

4.32 Given the financial issues the Council faces, budget, process etc work will continue to the end of the financial year through a continual rolling programme

## 5 Companies

5.1 The Council has several connected companies:

- a. Slough Urban Renewal (SUR) LLP (group structure includes LLPs for specific schemes)
- b. James Elliman Homes Ltd
- c. Development Initiative for Slough Housing Company (DISH) Ltd
- d. DISH RP (FP) Ltd \*
- e. DISH RP Ltd \*
- f. DISH CLS Ltd
- g. Ground Rent Estates 5 Ltd (GRE5)
- h. Herschel Homes Ltd \*
- i. Slough Asset Management Ltd \*
- j. Slough Direct Services Ltd \*
- k. Slough Children First Ltd \*\*

\*Dormant

\*\*became wholly owned by SBC on 1/4/21

5.2 Such companies can be highly effective when they are underpinned by strong governance arrangements, clear strategic objectives, effective reporting, transparent decision making arrangements, a strong performance management framework and clear roles and responsibilities. Weaknesses in any of these critical areas can result in significant issues and risk.

5.3 In light of recent internal and external reports and ongoing reviews of the Council's companies, it is clear that significant improvements can be made to inform the Council's strategic use of companies and strengthen the governance, management, financial reporting and performance management of the companies.

5.4 Recent internal audit reports have identified a range of governance and financial issues and the most recent year end audit report (FY 2018/19) also identified a series of specific issues in relation to income recognition, accounting for loans and other financial and governance matters.

5.5 Further investigation is required to fully understand these, and other issues, identified and to ensure that a clear way forward is developed with a bespoke rolling action plans for each company. This will include a re evaluation of internal audit actions to ensure that the action plans are comprehensive and continue to meet the Council's strategic objectives.

### Approach

5.6 As part of the Council's strengthened finance team, an interim Commercial Finance Director has been appointed with responsibility for reviewing the Council's company portfolio followed by the design and implementation of a range of measures to improve governance, scrutiny, financial management and reporting, performance management and value for money.

5.7 This role reports into the s151 officer and works across the Council's other directorates, especially the Place Directorate with significant commercial operations and partnerships.

- 5.8 An interim Companies' finance manager has also been appointed to provide financial and accounting services across some of the Council's companies (GRE5, JEH, DISH) to ensure that minimum service standards can be maintained and to ensure that the Companies and the Council can receive consistent, high quality, accurate and timely finance and performance management information. It should be noted that SUR financial, governance and management services are provided by the SUR team and reports into the Council.
- 5.9 The Council's core commercial finance team will be supported by additional internal and external resource on a project-by-project basis. A series of reviews and projects will be commissioned over the next twelve to eighteen months to consider a number of key themes and issues including:
- a) governance and scrutiny;
  - b) roles and responsibilities – directors and Council staff;
  - c) transparency and accountability;
  - d) risk management and oversight;
  - e) financial reporting and monitoring;
  - f) performance management and value for money;
  - g) strategy, rationale and ongoing viability;
  - h) accounting treatment and systems; and
  - i) compliance with Council's policies and processes.
- 5.10 In addition, a number of areas have been prioritised for early review including:
- a) GRE5 financial, contractual and governance review (Council-led review);
  - b) SUR governance review (Local Partnerships);
  - c) SUR OLS review (Council-led review);
  - d) SUR options review (Council-led review followed by external review); and
  - e) Housing companies governance review (Local Partnership).
- 5.11 An officer led Companies Corporate Oversight Board has been established in July 2021 to provide oversight and make decisions which have been delegated to officers. Whilst the early focus of this group is on SUR, officers will consider whether this Board or an alternative internal board structure is the most appropriate way for officers to receive regular reporting on company performance. Each company will have a senior responsible officer at senior leadership level and it is expected that the executive board will receive regular reports on the performance of each company to ensure that performance is being reviewed at a cross council level
- 5.12 An important aspect of the review will be ensuring member oversight of the companies. In the past some members have been appointed as company directors alongside officers. This may still be a recommended approach, for instance, the Lead Member for Children's Services has been appointed to the board of directors for Slough Children First Ltd to ensure that she has strategic oversight of the delivery of statutory children's services. However member oversight can be achieved in a number of ways, including:
- Cabinet taking shareholder/company member decisions where these are strategic in nature. For instance cabinet may decide to review and approve annual business plans;
  - Overview and scrutiny having an opportunity to scrutinise cabinet level decisions, including pre-decision scrutiny;

- Audit and Corporate Governance Committee receiving performance reports in relation to internal audit and accounting matters

### Work Undertaken to Date, Issues Identified and Being Addressed

#### GRE5

- 5.13 A comprehensive review of GRE5 has taken place to consider a number of key areas including but not restricted to the following:
- a) clarifying the rationale for the acquisition of GRE5, objectives and exit strategy;
  - b) governance arrangements – including the role of directors, conflicts of interest and decision making;
  - c) scrutiny arrangements;
  - d) reporting within GRE5 and between GRE5 and the Council, including financial, performance and risk management;
  - e) financial planning and management arrangements,
  - f) accounting arrangements and treatment (GRE5 and the Council) including separation of duties and systems;
  - g) management and resourcing within GRE5, SLAs and roles and responsibilities;
  - h) overall project review to inform the development of a total project cost forecast and future funding requirement/budget;
  - i) funding strategy including leaseholder obligations and Homes England grant funding;
  - j) key contracts for future development works including a requirement for associated parent company guarantees;
  - k) loan review – execution, recoverability and accounting for loans;
  - l) litigation review – insurance claim and leaseholder matters;
  - m) tax planning and VAT planning;
  - n) compliance with Council policies and statutory requirements.
- 5.14 A significant number of issues have been identified in relation to these areas some of which have been prioritised for immediate action (Q2 FY21/22) to enable GRE5 to enter into key development contracts to enable work to start on site to address the fire defects at Nova House. Key actions prioritised for Q2 include:
- a) Cabinet report in June – first update since 2019 with a full update on Nova House, latest cost projections, funding strategy, risks and other key issues;
  - b) Council report in July – first update since 2019 with a number of decisions required to address issues identified in relation to non-execution of loan, significant cost escalation and new loan requirement;
  - c) Council approval to provide loan funding to GRE5 including a revision to the Council's Treasury Management Strategy to permit a loan to GRE5 and enable the Council to provide a Parent Company Guarantee;
  - d) appointment of SRO and shareholder (Council) team to oversee changes, make key decisions, prevent conflicts of interest and provide regular oversight;
  - e) negotiation with Homes England to secure grant funding to close the funding gap on Nova House;
  - f) finalisation and signing of key contracts – Development Agreement and Parent Company Guarantee;
  - g) GRE5 Director changes – with further Director recruitment still required;



- h) appointment of Company Finance Manager – further GRE5 appointments are still required due to under resourcing;
- i) establishment of regular financial reporting within GRE5 and into the Council;
- j) establishment of new financial management arrangements between the Council and GRE5.

5.15 Following the Q2 focus on the above actions, a GRE5 action plan will be developed in Q3 which will identify all actions (GRE5 and the Council) including an update on previous internal audit comments and relevant recommendations within the Local Partnerships review.

### *SUR*

5.16 Three key workstreams have been prioritised and have been completed or are in development including:

- a) SUR governance review;
- b) SUR OLS review; and
- c) SUR Options review.

5.17 SUR governance review – externally led review (Local Partnerships) which provided an overall positive opinion on SUR governance and financial arrangements but raised concerns with regards to the Council’s internal governance arrangements (see key themes below).

5.18 A Council SUR governance action plan and tracker has been established and is reviewed by the newly Corporate Oversight Board on a regular basis to consider progress against actions and their implementation. The next review date is mid-September 2021. Progress is ongoing although the SUR Options Review has been prioritised in Q3. Key issues/themes:

- a) lack of clarity on role of directors;
- b) high turnover of directors and insufficient number of directors;
- c) lack of internal performance reporting;
- d) lack of scrutiny and oversight;
- e) conflicts of interests;
- f) lack of clarity and transparency re internal decision making;
- g) insufficient financial reporting and understanding; and
- h) inappropriate risk and reward balance.

5.19 SUR OLS Review – internal review of the OLS scheme to consider progress, performance, loans and compliance with Facility Agreement and governance arrangements. Cabinet was presented with an update report in July and a range of measures have been successfully implemented in July/August to strengthen the Council’s financial and governance arrangements in relation to compliance with loan agreements. Further action may be required in September/October subject to the outcome of the SUR September Board meeting and review of performance.

5.20 Options Review – Montague Evans has been commissioned to develop the SUR Options Review (commissioned in July) with first draft reporting on 30<sup>th</sup> August and ongoing work expected in Q3 to further develop and test options. Corporate Oversight Board to provide direction and inform presentations and reporting to Cabinet and Council. Significant work required to test options and update the

Council's financial plans. Issues in relation to affordability, compliance with Partnership Agreement and Options Agreement

- 5.21 Following the Q2 focus on the above actions, a SUR action plan will be developed in Q3 which will identify actions including an update on previous internal audit comments and relevant recommendations within the Local Partnerships review.

*JEH/DISH*

- 5.22 In June 2021, the Council commissioned Local Partnerships to undertake a governance review across the Council's housing companies (DISH and JEH). This has highlighted a number of themes which are common to several of the Council's companies in relation to strategy and objectives, conflicts of interest, clarity of roles and responsibilities, consistency of directors, insufficient oversight and scrutiny and inconsistent and irregular reporting.
- 5.23 LP also recommended that the Council should undertake a wider review of the Council's housing companies including the identification of options for the delivery of the Council's housing strategy. This work is expected to start in Q3 and will be considered alongside the outcome of the SUR Options Review. Given the Council's financial challenges and the level of debt in JEH, it is critical that the options review considers an exit strategy alongside the Council's ongoing statutory obligations.
- 5.24 A number of measures have already been put into place or are in development including:
- a) appointment of a Company Finance Manager;
  - b) establishment of new regular reporting arrangements;
  - c) establishment of the Corporate Oversight Board;
  - d) analysis of internal resource requirements for the Council's companies and SLA requirements;
  - e) resolution of housing management system transfer requirements between the Council and its companies;
  - f) review of business plan and financial viability;
  - g) pause on DISH RP; and
  - h) pause on all JEH acquisitions.
- 5.25 Further work is required in Q3 to establish a forward action plan for each company including an update on previous internal audit comments and relevant recommendations within the Local Partnerships review. This will also include the production of management accounts for 2020/21 which are outstanding.

## **6 Procurement and Internal Audit**

### Procurement Strategy

- 6.1 A procurement strategy is being written and will form the basis of implementing a procurement function based on best practice.
- 6.2 Implementation of the strategy is predicated on bringing in permanent resources in the Autumn onwards and will be implemented in line with this.
- 6.3 In addition, the Council is developing its social value policy of which the team is leading, working closely with the Council's Policy Team. Research suggests that social value delivers savings as well as delivers on our obligations Public Services Act 2012 with regard to economic, social and environmental well-being in connection with public service contracts.

### Joint Procurement and Contract Management guidance

- 6.4 Procurement and Contract Management guidance and practice notes are being prepared

### Contract Management

- 6.5 A contracts categorisation process is being developed to identify high risk and high value contracts which needs to be prioritised for implementation of contract management plans.
- 6.6 Recruitment of Contract Management Support lead is required to move this forward and build a comprehensive contracts register, which has already commenced by the Commercial Team, and IT is being prioritised. In addition it is necessary to design a process to keep the contracts register up to date and train lead contract managers within the organisation.
- 6.7 The Council does not currently have a contract management IT system and options are being explored on how the Council can use its finance system for this purpose.

### Contract Procedure Rules and Financial Regulations

- 6.8 Planned improvements to the financial regulations and contract procedure rules include:
  - reviewing and putting in appropriate controls
  - reviewing the thresholds to remove unnecessary administration and to allow greater efficiency and flexibility in procuring at lower levels;
  - distinguishing between services and works
  - alignment to the Scheme of Delegation that is being refreshed to reflect SBC's restructure. In this new Scheme of Delegation, the emphasis will be on a principled based approach whereby the new EDs and ADs will have the delegated authority to manage and direct their own directorates.
- 6.9 Timeline for implementation is being agreed, they will be presented to a future Strategic Finance Board for consideration and then onto Members for approval

### Finalisation of 2020/21 Internal Audits

- 6.10 All Internal Audit reports from 2020/21 have been finalised, this includes actions owners and target dates being assigned to all Internal Audit reports for that year.
- 6.11 Executive board were kept informed of progress in finalising audits on a weekly basis and priority has been given to those reports with a negative opinion.

### *Completion of Internal Audit actions*

- 6.12 Actions have been added to the overarching plan and are being monitored by:
- obtaining updates from action owners
  - frequent liaison with Executive Directors and Associate Directors
- 6.13 Evidence of actions completed is being obtained and quality assured by Group Manager Commercial.

### *Internal Audit actions from previous financial years*

- 6.14 There are a large number of outstanding Internal Audit actions
- 6.15 The actions have been included in an action tracker and the data cleansed to
- ensure actions are assigned to current officers
  - removed actions related to follow up audits which repeat actions already on the tracker
  - removed duplicate actions from multiple financial years to improve clarity on actions that need addressing

### *Governance*

- 6.16 The officer Risk and Audit Board has been re-invigorated to ensure that it monitors outstanding Internal Audit actions, has representation across Directorates and produces and reviews a strategic risk register, among other matters:
- terms of reference have been reviewed to ensure that Internal Audit monitoring is a core function of the board.
  - membership has been reviewed to ensure that it includes Associate Directors and subject matter experts that can advise the board accordingly.
  - meetings will be held on a monthly basis.

### Internal Audits 2021/22

#### *Internal Audit Plan 2021/22*

- 6.17 A revised 2021/22 Internal Audit Plan was approved by the Audit and Corporate Governance Committee on 29th July.
- 6.18 Leads have been identified and dates of Audits planned.
- 6.19 35 Audits will be undertaken in this financial year including 4 quarterly follow up audits.

*Completed Audits 2021/22*

- 6.20 To date five audits have been completed and two have been finalised.
- 6.21 There is a target of finalising audits within two weeks of the draft being issued, Internal Audit are now required to be part of the process of finalisation of the audits due to the criticality of identification of appropriate owners and deadlines to actions assigned.

## **7 Agresso**

7.1 Agresso - UNIT4 System was implemented at SBC in 2016 on the instigation of Finance but over the years SBC has embraced the following functions and it serves as an ERP (Enterprise Resource Planning System):

- Finance
- Procurement
- HR
- Payroll

7.2 Though the Council's system is 5 versions behind the latest version it is still fit for purpose.

7.3 The system was implemented by Arvato, but their contract was terminated and an ongoing contract for Support and Development Work commenced 3 years ago with Myriad Consulting an approved Unit 4 Solutions provider.

7.4 Their original scope was limited to a call out support function, but a full suite of development work was agreed in 2019. Due to scope creep and a host of other issues including the team spending eight months rebuilding the organisations hierarchies on the system to match the latest organisational restructure a lot of the agreed development work remains undone. The work on the restructure has been completed and puts SBC on a sound footing for fully embracing the systems functionality.

7.5 A detailed report on the current position finalised by SOCITIM advisory in August 2021 gives the Council a strategic situational analysis and provides recommendations on the way forward with various aspects of the ERP. Its available on request.

### **Current Status**

7.6 As the ERP is fundamental to the information flow in the organisation the new S151 officer has assumed strategic oversight over the system and is working on how to embed the right structure, resources, and practices in the organisation to maximise the output of the system and significantly reduce the costs arising from the inefficient operation that currently subsists.

7.7 The initial requirement which is in progress is:

1. SBC agreeing with Myriad the level of project work outstanding, the resources required from them to complete as well as factoring in SBC and other external resources that will ultimately impact delivery. Once done a fixed contract will be issued to close out all HR, Payroll, and Interface Projects.  
Timeline: This analysis should be completed by end of September 2021 and initial indications are that the projects should all be complete by the end of October 2021.
2. Establishing what needs to be in place to provide best utilisation of the system for the finance and procurement modules as both have not had any real development from implementation and this has resulted in a myriad of manual interventions being undertaken for core financial management and reporting.

Timeline: Consultation will commence on this in October 2021, and we'll invite Unit 4 solution providers to tender for the agreed scope of works.

3. Ascertaining the current costs of support and development work and providing a forecast of potential savings and realistic budgets for this and the next 2 financial years.  
Timeline: This will be available by the end of September.
4. Gathering information from similar sized public sector organisations that utilise the functionality SBC currently has in place or will have in place post the imminent completion of the project work to determine a fit for purpose internal team structure for supporting the ERP and managing business as usual.  
Timeline: This will be available by the end of October.
5. Ensuring that the right resources are in the IT department to provide the support necessary for the ERP system to run optimally and interface with all other SBC systems.  
Timeline: This will be done by the end of November.
6. Instituting a Project Board that will see the above processes through and assume responsibility for approving any further developmental and project work required to ensure the ERP remains fit for purpose.  
Timeline: to be determined

## **8 Finance Team**

- 8.1 The finance service is currently supplemented by a number of temporary staff who are leading the delivery of the various issues reported here, among other matters
- 8.2 Grant Thornton have issued statutory recommendation which the Council has agreed stating that the finance service should have sufficient skilled resources to support the accounts production and financial management. They subsequently issued a second recommendation that the Council should invest significantly in the finance service
- 8.3 It is likely that the CIPFA report will recommend that the Council enhance financial capacity

### Short/Medium Term

- 8.4 To cover the next six to eighteen months an analysis is being completed that will identify what level of temporary resource is needed to lead and support the Council's financial recovery

### Medium/Long Term

- 8.5 For the longer term a permanent structure will be designed for October along with training and development programmes, a trainee accountant scheme, appropriate job descriptions and a recruitment approach etc which will secure for the Council a permanent quality service which will be instrumental in taking forward the financial future of the Council



## 9 Financial Management

9.1 A range of financial management practise improvements are being designed and developed and are summarised below

### Business Cases

#### *Revenue Requirements*

- 9.2 The Council previously required a business case to be produced to secure budget approval for revenue costs and to approve the most appropriate procurement approach. For example, a request to tender, contract extension, request for quote and exemptions.
- 9.3 The Council had several business case templates that are used to inform decision making which attempt to standardise the type of information provided. Whilst some financial information is requested in each business case, the majority of information was procurement-focused with an emphasis on *how* services/works/expenditure will be procured and compliance with procedures and rules.
- 9.4 There was light and inconsistent consideration given to the rationale and case for proceeding with services/works/expenditure. This was also the case for value for money considerations. Financial information in relation to costs, assumptions, funding, financial risks and savings is basic and decision making has been significantly improved by strengthening and standardising the minimum financial information requirements included in business cases.
- 9.5 As part of the Council's approach to strengthen its financial governance and as a result of the Council's current financial pressures, it is more important than ever that robust, transparent and consistent arrangements are put into place. This will significantly improve decision making, accountability, financial planning, value for money and service delivery.
- 9.6 Such changes will also support behaviours and the development of a culture that is underpinned by a shared responsibility for continuous improvement, efficiency, excellence and collaboration.
- 9.7 A new standard business case template for all revenue spend has thus been introduced. . The new business case format is based upon the principles that underpin HMT's five case approach which provides information on the:
- **Strategic case** – to demonstrate that activity/services have a strong rationale and strategic fit, and that risks, dependencies, constraints and objectives are clearly understood from the outset;
  - **Economic case** – to demonstrate that a wide range of options have been carefully considered rather than jumping to a single solution. This provides an opportunity to consider wider benefits, including cost savings. This stage is critical in confirming if one of the options represents a strong value for money case and should proceed to procurement;
  - **Commercial case** – to clearly consider the wider commercial options including procurement strategy. This is important in demonstrating that the preferred option

can be achieved in the market-place and that the best deal can be secured for the Council based upon its procurement rules. This builds upon the existing procurement arrangements that are already operational across the Council;

- **Finance case** – to demonstrate that the proposals are affordable and that financial risks and financial issues have been considered. To verify that saving levels are sufficient and achievable and that arrangements are in place to deliver and track these savings; and
- **Management case** – to show that proposals can be delivered with the required level of governance and management, including a thorough consideration of all risks. This is also an opportunity to ensure that performance measures and benefits are agreed, that arrangements are put into place to achieve these and that performance can be measured and reported.

9.8 All of these components should be considered as part of a decision to proceed with a business case. The template allows for a proportionate approach to be adopted ensuring that information is provided in sufficient detail relative to the level of risk and value of the business case.

#### *Significant Change Programmes/Capital Investments etc*

9.9 For more significant budgets savings/investments a new methodology has been further developed. This is also based on the “Five Case Model” as outlined in HM Treasury Green Book and is the best practice standard recommended by HM Treasury for use in Central Government, departments and other Government bodies and by those with responsibility for deciding how public money should best be spent.

9.10 The application of this methodology will have the following advantages:

- ✓ To raise the **quality of proposals** both in terms of their scoping, delivery and public value, as a result of the more effective comparison of the alternative options for the achievement of objectives
- ✓ To support the prioritization of proposals and the management of the Councils challenges through the provision of **standard and consistent information**
- ✓ To reduce the costs and timescale associated with production of business cases and **improve the efficiency** and throughput of the spending approval process through clearer structure and presentation.

#### *Why is the business case important?*

9.11 Policies, strategies, programmes and projects will only achieve their spending objectives and deliver benefits if they have been scoped robustly, planned realistically from the outset, considered dependencies and interdependencies and major risks have been taken into account.

9.12 The business case, both as a product and a process, provides decision makers, stakeholders and the public with a management tool for evidence based and

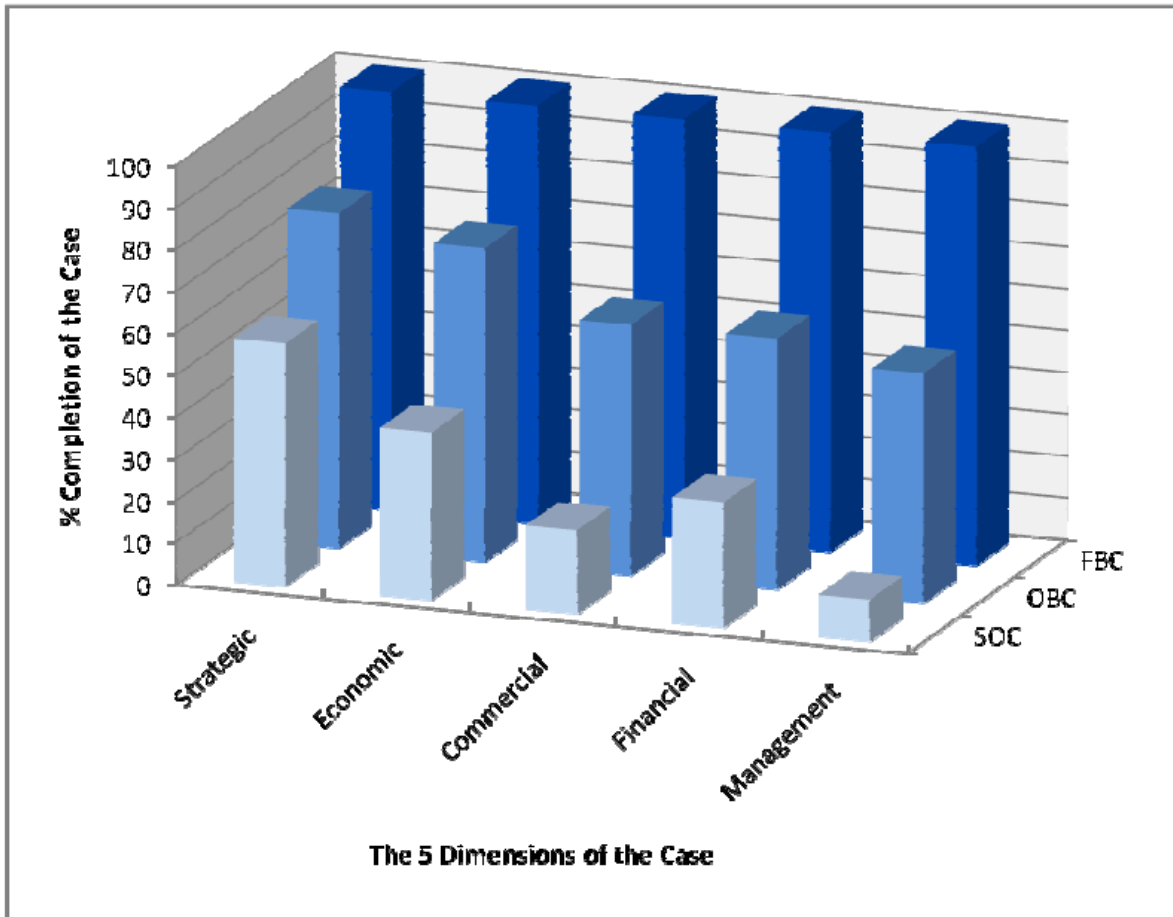
transparent decision making and a framework for the delivery, management and performance monitoring of the resultant scheme.

9.13 The business case in support of a proposed project or programme must evidence:

- ✓ That the intervention is supported by a compelling **case for change** that provides holistic fit with other parts of the organization and public sector - the "strategic case"
- ✓ That the intervention represent best **public value** - the "economic case"
- ✓ That the proposed solution is attractive to the market place, can be procured and is **commercially viable** - the "commercial case"
- ✓ That the proposed spend is **affordable** - the "Financial case"
- ✓ That what is required from all parties is **achievable and deliverable** – the "management case".

9.14 The business case development process is key to public value in spending decision, in terms of its scoping, options selection, delivery, monitoring and evaluation. The business case therefore should not be simply used as the vehicle for gaining approval for a proposal, because to deliver public value all five components need to be planned for effectively. It should be developed over time and should remain a "live" document. It is an iterative process and at each key stage, further detail is added to each of the five dimensions. The level of detail and completeness of each of the five dimensions of the case are built up at different rates during the process.

9.15 There are 3 key stages in the evolution of a project business case, which correspond to key stages in the approval process. These are the Strategic Outline Case (SOC), the Outline Business Case (OBC) and the Full Business Case (FBC). The graph below demonstrates how each 'case' is typically developed at each phase. By the Full Business Case phase all five cases should be fully developed.



#### *Overview of the Five Case model*

- 9.16 The Strategic Case:** This demonstrates how the proposal will provide business synergy and strategic fit and is predicated upon a robust and evidenced based case for change. This includes why change or intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved. It also requires the Council to demonstrate that the spending proposal has clear and concise spending objectives which are Specific, Measurable, Achievable, Relevant and Time constrained (SMART).
- 9.17 The Economic Case:** The main purpose of this case is to demonstrate that the proposal optimises public value (to the UK as a whole). It explains how this is achieved by identifying and appraising a wide range of realistic and achievable options, known as the “long list”, in terms of how well they meet the objectives and critical success factors agreed for the scheme; and subjecting a reduced number of options known as the “shortlist” to cost benefit analysis (CBA).
- 9.18 The key to a well scoped and planned scheme is the identification of the right range of options or choices in the first instance, because if the wrong options are identified, the scheme will be sub-optimal from the outset. From the long list, a “preferred way forward” should be identified from which the shortlist will be drawn including “do nothing” and “do minimum” options to be subjected to CBA. The CBA should be prepared for all the shortlisted options and all of the costs and benefits

should be discounted and a Net Present value (NPV) should be provided for each option. Quantifiable and not quantifiable costs should be considered. The preferred option must be clearly stated. It should be subjected to sensitivity analysis and risk analysis.

- 9.19 The Commercial Case:** This is to demonstrate that the preferred option is commercially feasible and will result in a viable procurement and well structured deal. This includes planning and management of procurement for the preferred option and also ensures that the Council is clear about how the procurement can be done competitively, in accordance with EU and WTO rules and regulations for public procurements. If the preferred option is an internal option that requires a restructuring the same principles apply, with specific internal issues clearly set out and addressed. This should cover issues such as contracts, staffing and risk allocations.
- 9.20 The Financial Case:** This is to demonstrate that the preferred option will result in a fundable and affordable deal. This requires the Council to set out the capital and revenue requirements for the proposal over the expected life span of the service/project, together with an assessment of how the project/deal will impact upon the balance sheet, income and expenditure account and pricing (if applicable) of the public sector organisation. Any requirement for external funding must be supported by clear evidence of spending authority for the scheme together with any funding gaps.
- 9.21 The Management Case:** This is to demonstrate that the preferred option is capable of being delivered successfully in accordance with recognised best practice ( Programme and Project Management methodology) and there are robust arrangements in place for change and contract management, the delivery of benefits and mitigation of risk. It also requires the Council to specify the arrangements for monitoring during implementation and for post implementation evaluation, as well as for Gateway reviews and contingency plan for risk management.

#### VAT and Taxation Reviews

- 9.22 VAT compliance was seen as a risk to the Council and a partial exemption calculation, necessary each year, had not been completed since 2013/14. This represented a large financial risk to the Council. If the 5% tolerance had been exceeded the Council could have been liable for repaying VAT reclaimed, adding to its pressures.
- 9.23 A Member of staff in the finance team has now been given responsibility for VAT and has been working with a specialist consultancy PSTax to resolve all O/S queries from HMRC and complete the 2019/20 partial exemption calculation which had been requested.
- 9.24 All O/S queries from HMRC have now been dealt with and the 2019/20 partial exemption calculation for 2019/20 completed, with VAT within the 5% tolerance.

9.25 If HMRC did an inspection they could ask for previous partial exemption calculations going back to 2016/17. This year, 2017/18 and 2018/19 will now be completed, building on the previous work completed. The financial risk, based on the work completed, suggests the previous years are low risk.

9.26 The Partial Exemption claim for 2020/21 is planned to be completed by October 2021 and submitted to HMRC

9.27 A review of VAT compliance is to be undertaken in October/November 2021

#### Financial Modelling Standards

9.28 The Council did not operate financial modelling in a consistent high standard way. An approach to financial modelling has now been designed which covers the following in order to assist ensure that before the creation of any modelling the objectives of the model and audience/users of this information are considered, is correctly focussed on delivering aims and requirements in a manner usable by all to a high professional and consistent standard.

9.29 The financial standard covers the following

#### Methodology

- They can be readily used and adapted without risk of unintended errors by parties other than the model author.
- There is a logical structure and flow of information which allows all users to understand how and why the results change under different inputs. There should be a clear distinction between inputs, formulae/workings and outputs of any modelling created.
- Intermediate calculations and schedules used to derive the final results are comprehensible as intermediate outputs independent of the specified final results
- Formulae used should not over complicate the data and model, as this will make it more difficult for users other than the author to interpret.
- A printout of any section of the model should be comprehensible without reference to a computer or the underlying formulae / algorithms that constitute the mechanics of the model.
- Any errors introduced into the model should be immediately obvious because of the overall transparency of the model and therefore do not lie undiscovered until it is too late.
- To aid this, models should aim to include control/check formulas throughout to validate data and formulae.
- The model should be dynamic, e.g. capable of being updated for actuals in subsequent years and for running sensitivities.

#### Assumptions

- Assumptions should be indicated unless obvious by transparency of the model
- Appropriate tax and accounting assumptions should be included.
- Inputs should be at a level that allow a baseline to be formed for any future changes in the budget/contract, e.g. at a post level, reasonable breakdown of non-pay, any investments should be broken down, assumed cost reductions going forward should be transparent.

- Assumed future investment analysis, key assumptions, interest assumed to be paid on any loans etc. (cost inflation, numbers of resources etc assumed, unit prices re volumetrics etc). There should be a clear link between provisions in any contract or the underlying assumptions (especially any payment mechanism) and the model, e.g. pay indexation, drawdown of resources etc.
- Assumptions around assumed interest rates, margin, cost reductions, indexation rates etc should be clear in the inputs section.
- The source of the data/assumptions should be included as a reference in the model.

#### Controls

- Models should contain version control to allow for a logical explanation of changes over time to the models inputs, workings and outputs.
- The model should be developed with a data book and user guide. This should include reference to any relevant accounting policies.
- The split of costs, revenues etc should be clear between services. Unit costs should be detailed and split down.
- Models may need to be updated monthly and summarised annually.
- Models need a very comprehensive summary sheet, e.g. organisation financing, future investment analysis, key assumptions. This should link to all the relevant financial provisions in the contract. It should also include some other basic analysis e.g. NPV analysis, key dates (e.g. contract start and end). In addition anything to enhance the presentation e.g. graphs, tables etc. should be included.
- A 'one page' summary financial statement should be included which "manage the message" as per level 1 requirement
- The model should be set up with 'what if' scenarios/sensitivities.
- The model should project forward and consider benchmarking and comparators.
- Sensitivity of data should be considered – for instance password protect and secure file locations should be considered.

#### Format & Presentation

- Consider the audience/users, what title best describes what this model does and in what format should the model therefore be presented (e.g. charts, tables etc).
- Size the model layout so it can be formatted for ease of printing and that all sections of the model can be printed in a readable size.
- Make sure your model is user friendly and can be readily understood by parties other than the model author.
- Ensure you have clear and meaningful headings along with appropriate totals and sub totals.
- Consider suitable fonts and colouring to make appropriate information stand out, as well as to differentiate between actual, budget, and or different periods if applicable.
- Be mindful of using abbreviations and acronyms and where necessary provide a key for the user.

## Budget Monitoring

- 9.30 The Council did not have corporate budget monitoring guidance and thus this has been developed to ensure consistency of approach, high professional standards etc
- 9.31 The guidance is extensive and is designed to enhance the preparation of monthly monitoring reports to ensure they are produced and consolidated as efficiently as possible. Standardising the procedure will ensure comments are produced in a style which can be lifted from one report to another without reformatting or additional analysis. The reports are the Executive Board, Cabinet and Executive Directors and the reports are aiming to explain the following five key points across several budget items:
1. Why is there a variance/risk/opportunity?
  2. Why has it has changed from last month?
  3. How is this going to be financed/utilised going forward?
  4. What is being forecast to the year-end?
  5. What action is being undertaken to resolve any issues?
- 9.32 Covering all budget items:
1. Overall budget (revenue and capital)
  2. Efficiencies/Savings
  3. Growth
  4. Reserves - Are there any budgets you have received from reserves and are these being spent on the purpose for which they have been given
  5. Income growth



## 10. Implications of the Report

### 10.1 Financial implications

10.1.1 These are set out throughout the report. Should the work being undertaken not be completed then the Council's financial position would quickly become untenable to the extent that direct cash financial support from Government or other sources would be needed to allow the Council to function as a going concern

### 10.2 Legal implications

10.2.1 The Council has a number of statutory duties in relation to financial management. This includes a best value duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of efficiency, economy and effectiveness

10.2.2 Decisions in relation to financial management will need to be made by all levels of the organisation. Full Council will be responsible for estimating and setting the budget for the purpose of setting council tax. Full Council is also responsible for approving the policy framework. Decisions made at Full Council level will include responsibility for approving an updated 5 year plan, approving the Treasury Management Strategy and approving the Capital Programme. Cabinet is responsible for determining how expenditure will be incurred, so long as this is in accordance with the overall budget. This means that Cabinet should be involved in decision making around service provision, where these decisions are not within delegated authority for officers

### 10.3 Risk management implications

103.1 There are a range of risks associated with this work. These and mitigations are noted below. The mitigations will take time to develop and embed and thus the after mitigation RAG ratings are assuming the longer term. These mitigations will continue to be developed and the position continuously assessed

<b>Risk</b>	<b>RAG Before</b>	<b>Mitigation</b>	<b>RAG After</b>
MHCLG/CIPFA/Grant Thornton may not have confidence that the Council can address all the matters to the quality and in the time needed	<b>Red</b>	<p>Employment of new finance team</p> <p>Employment of temporary additional resource</p> <p>Creation of appropriate permanent finance structure</p>	<b>Green</b>

			External review comments on the newly instigated finance service	
Accounts completed	not	Red	<p>Employment of national experts</p> <p>Creation of robust project plan as developed and successfully used elsewhere</p> <p>Utilisation of proven whole team methodology</p> <p>Ongoing engagement with external audit</p> <p>Extensive training</p>	Green
Budget may not be brought into balance		Red	<p>Development or more rigorous processes and timelines</p> <p>Continuous weekly meetings at all levels – officers and Members from July</p> <p>Proposal for asset sale process at a level that will have a material impact on borrowing levels in the longer term</p>	Green/Amber

		<p>Cleansing of all budgets over the coming 18 months</p> <p>Major reductions in the capital programme</p> <p>Agreement from all involved that all matters have to be considered</p>	
Weaknesses in Council's strategic use of companies, governance, management, financial reporting and performance management continue	Red	<p>Holistic reviews of all companies planned and in some cases underway</p> <p>Some issues already being addressed through Cabinet and Council. (Others will take place over the coming 18 months)</p>	Green
Internal Audit reviews not actioned or consider the holistic requirements of the Council	Red	<p>Pro active management of internal audit now taking place and chasing down of responses to and implementation of actions</p>	Green
Systems continue to fall behind the latest version, development work is not taken forward and priorities are not identified or resourced	Red	<p>Structure, resources and practices are under review and will be analysed, reviewed and assessed to</p>	Green

		address the issues	
Finance Team reverts back to being under resourced and under skilled	Red	<p>Current team of interims are secured for the short to medium term</p> <p>Skills transfer takes place which is already underway</p> <p>Training is developed which is underway</p> <p>Additional required temporary and permanent resources are identified and secured</p>	Green
<p>Poor financial management practises continue</p> <p>New practices are not embedded</p>	Red	<p>Range of new processes introduced on a phased basis</p> <p>Officers trained in the new approaches</p>	Green

#### 10.4 Environmental implications

10.4.1 The work being undertaken will allow the Council to continue to function and thus help address its environmental aspirations

#### 10.5 Equality implications

10.5.1 The work being undertaken will allow the Council to continue to function and thus help meets its equality requirements

### 11. **Background Papers**

S114 notice  
Grant Thornton 2018/19 audit reports  
2018/19 accounts  
2021/22 budget reports

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council **DATE:** 23<sup>rd</sup> September 2021

**CONTACT OFFICER:** Nick Pontone, Senior Democratic Services Officer  
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**WARD(S):** All

**PART I**  
**FOR DECISION****COVID-19 DECISIONS UPDATE****1 Purpose of Report**

The purpose of this report is to inform Council of the further significant decisions taken by officers, and to seek ratification of those decisions insofar as they relate to Council functions.

**2 Recommendation(s)/Proposed Action**

The Council is requested to resolve:

(a) That the report be noted; and

(b) That the significant decisions taken by Silver as set out in the Appendix be ratified insofar as they relate to Council functions.

**3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The decisions taken by officers and set out in this Report have sought to support, as far as reasonably practicable at the present time, the objectives of the [Slough Joint Wellbeing Strategy](#) (SJWS) and the Five Year Plan.

**Background****3.1 Slough Joint Wellbeing Strategy Priorities**

The decisions set out in this Report have been taken with the overarching objective of protecting public health and the wellbeing of residents and ensuring that the Council is able to achieve this objective lawfully, and as effectively as possible, in the prevailing circumstances. The recommendations contained in this report seek to ensure that the Council is able to continue to try to meet this objective and thereby be in a position to continue to address the priorities of the SJWS and the JSNA appropriately.

**3.2 Five Year Plan Outcomes**

The recommendations contained in this Report, namely the noting and ratification by Council of the further significant decisions taken by officers, at the first available

opportunity, will enable the Council to be in a position to be able to go forward to try and continue to meet the following objectives of the Five Year Plan.

- *Our children and young people will have the best start in life and opportunities to give them positive lives.*
- *Our people will become healthier and will manage their own health, care and support needs.*
- *Slough will be an attractive place where people choose to live, work and visit.*
- *Our residents will have access to good quality homes.*
- *Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents*

### 3.3 Governance

This report sets out the Significant Decisions taken by Officers in response to the coronavirus pandemic. Robust governance arrangements were put in place in March 2020 to manage SBCs response, which is led by a GOLD and SILVER command structure. GOLD/SILVER meetings have been held jointly since March. This is summarised as follows:

- **GOLD** – Chief Executive and Silver Lead from CMT on rotation  
Overall responsibility for SBC strategy and response, primary liaison with partners and leads on external communications. Lead Members are consulted where appropriate on decisions in their portfolio.
- **SILVER** – led by a member of CMT on rotation, includes CMT, Public Health, Communications and Operations Room Management. TVP and CCG attend. Responsibility for tactical implementation of GOLD Strategy, escalates strategic decisions to GOLD, refers issues for resolution to task groups.
- **Task Groups** – usually led by an Executive Director or senior Officer  
Manages operational matters and escalate issues to Silver  
Task groups established include Finance, Human Resources and Business Continuity, Community Hub, IT, Children, Adults, Safer Public Spaces, Testing, PPE, Recovery, Local Outbreak Management Plan Cell and Workplace Safety Group. Some task groups stood down and ready to be reactivated if operationally required.
- **Operations Room** – led by Associate Director  
Seeks to coordinate activity in a single team; logs enquiries, actions and decisions and supports Silver.

### 3.4 Timeline

A summary of the key events and phases is summarised as follows:

- 5<sup>th</sup> March – first death in UK from Covid-19 is confirmed.
- 12<sup>th</sup> March – SBC GOLD/SILVER response group meets. SILVER met daily between 23<sup>rd</sup> March to 24<sup>th</sup> April and at least weekly since. It currently meets twice a week.
- 23<sup>rd</sup> March – Prime Minister announces UK-wide partial “lockdown”.

- 26<sup>th</sup> March – Health Protection (Coronavirus Restrictions) (England) Regulations 2020 ('lockdown regulations') come into force.
- 13<sup>th</sup> May – National 'Lockdown' restriction start to be eased and this process continues through June and July. It is not until 25<sup>th</sup> July that indoor gyms and swimming pools are able to reopen.
- 1<sup>st</sup> July – local restrictions introduced in Leicester.
- 18<sup>th</sup> July – Health Protection (Coronavirus Restrictions) (England) (No 3) Regulations come into force giving local authorities in England new powers to close shops and outdoor public spaces in order to control Covid.
- 1<sup>st</sup> August 2020 – Shielding programme is paused.
- August / September 2020 – local restrictions across England start to be tightened, particularly in the North West and Yorkshire.
- 24<sup>th</sup> September 2020 – pubs and restaurants ordered to close by 10pm and 'Rule of 6' applies.
- 14<sup>th</sup> October 2020 – new Covid tiers come into force. Slough is placed in Tier 1 – medium level alert.
- 24<sup>th</sup> October 2020 – Slough moves into Tier 2 – high level alert, which introduced a ban on household mixing.
- 5<sup>th</sup> November 2020 – Prime Minister announces a new national 'lockdown' until 2<sup>nd</sup> December.
- 26<sup>th</sup> November 2020 – new Tier system is introduced in England to come into force on 2<sup>nd</sup> December. Slough will enter Tier 3 – very high alert which means pubs and restaurants remain closed following national 'lockdown' and household mixing remains banned.
- 19<sup>th</sup> December 2020 – Government revises Tier system with a new Level 4 Tier – Stay at Home with restrictions similar to those during the national 'lockdown' in November. The Government decides to put Slough into this highest Tier.
- 4<sup>th</sup> January 2021 – Prime Minister announces new national 'lockdown' for England.
- 22<sup>nd</sup> February 2021 – Government publishes a "roadmap" to gradually ease restrictions over the coming months, starting with the full reopening of schools to all pupils from 8<sup>th</sup> March 2021.
- 8<sup>th</sup> March 2021 – Step 1 of the Government's "roadmap" begins with schools recommencing face-to-face learning for all pupils.
- 29<sup>th</sup> March 2021 – 'Stay at Home' rule ends. Restrictions on social contact begin to be relaxed outdoors.

- 12<sup>th</sup> April 2021 – Step 2 of the Government’s “roadmap” begins which includes the reopening of non-essential retail and outdoor hospitality.
- 17<sup>th</sup> May 2021 – Step 3 of the Government’s “roadmap” begins which includes the reopening of indoor hospitality, entertainment and events (with capacity limits), travel corridors and domestic overnight stays.
- 19<sup>th</sup> July – Step 4 of the “roadmap” due to begin which is likely to remove the remaining legal restrictions.

#### 4. **Implications of the Recommendation**

##### 4.1 Financial implications

4.1.1 Any financial implications of significant decisions taken by officers in connection with the need to deal with the consequences of the Covid-19 pandemic are monitored weekly by a special finance group and will be reported to cabinet as part of the usual financial reports to cabinet.

##### 4.2 Legal implications

4.2.1 Any decisions taken by officers pursuant to the statutory regulations enacted by the Government to deal with the Coronavirus pandemic, to enforce business closures and restrict assembly, could potentially be challenged under the Human Rights Act 1998 as being a breach of article 11, relating to the freedom of assembly and association, and of Article 1 of the First Protocol to that convention, relating to the right to peaceful enjoyment of possessions. It is considered, however, that risks of successful challenge are low as, in the latter case, derogations are permitted to control use of property in the general interest and, in the former case, for the protection of public health.

Under the Council’s Constitution, the Chief Executive has delegated power to act in case of emergency and urgency to exercise all council functions. Additionally, under the constitution, all matters not specifically reserved are deemed to be within the delegated authority of the Chief Executive and Directors for all purposes which fall within their directorate or budget area or area of responsibility to which they may be nominated from time to time

The Cabinet may ratify any decisions of officers falling within their functions.

##### 4.3 Risk management implications

###### 4.3.1

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
That the Cabinet /Council note and ratify the significant decisions taken	Failure by Members to note and ratify these actions and decisions	The significant decisions and actions have been taken in accordance with	Likelihood – Very Low – 2  Legal/	Increasing return to usual decision making structures and processes as



by officers since the “lockdown” came into force.	increases the risk of challenge and disruption. Ratification provides the opportunity for the Council to build upon the good results already achieved and to move forward strongly by building upon these results with greater engagement across the Council	governance arrangements put into place in consultation with the Council’s statutory officers and in accordance with all applicable guidance issued by and best practice recommended by all relevant bodies.	Regulatory – Critical - 3  Score: 6	circumstances permit.
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#### 4.4 Environmental implications

4.4.1 Carbon Emissions and Energy Costs: The Council have not at present carried out any systematic analysis of the effect on carbon emissions and energy costs of the decisions taken by officers since the “lockdown” took effect. It is considered that it is self-evident, however, that the restrictions on travel and the reduction in the use and occupation of Council premises and other council activities means that it is unlikely that there was an increase in emissions and energy costs during this period.

#### 4.5 Equality implications

4.5.1 All the significant decisions set out in this Report were taken having regard, so far as was practicable in the circumstances, to the public sector equality duties and the protected characteristics set out in the Equality Act 2010.

#### 4.6 Procurement implications

4.6.1 Procurement issues have been considered by Officers in relation to each decision and procurement processes would need to be followed where they apply.

#### 4.7 Workforce implications

4.7.1 The decisions taken by Officers which have affected the workforce are set out in the schedule to this Report.

#### 4.8 Property implications

4.8.1 The restrictions imposed by the Coronavirus Act 2020 on the ability of the Council as a landowner to take action to enforce payments of rents will have had an effect on the Council’s asset management position. Any long term effects on the Council’s property portfolio and asset management strategy evaluated and reported to the cabinet as part of the Council’s normal financial reporting to the cabinet.

**5. Comments of Other Committees**

The Cabinet received a similar report each month and ratifies the decisions in respect of Executive functions.

**6. Conclusion**

This report seeks Council ratification of significant decisions at the first available opportunity and will enable the Council to continue to seek to meet its duties to protect public health and to serve the wellbeing of those who live, work and visit its area.

**7 Appendices Attached**

Appendix 1 – Table of significant decisions

**8. Background Papers**

None.

### Summary of Decisions Taken By Silver

Reference number	Decision Required	Outcome	Date of decision	Decision made by
DEL304	Requests from Workplace Safety Group	Opening requests agreed from Adults & Communities (Lavender Court staff training); Licensing (CAP licensing team); and Food Safety Team on statutory investigation reviews.	15/07/21	SILVER
DEL305	Update on workplace safety advice at Step 4 of Roadmap	Update report from Workplace Safety Group noted. New Government guidance on workplace safety in Step 4 from 19th July was not yet published and a report would come to a future Silver meeting. All existing workplace safety measures and processes to remain in place at Step 4 in the interim.	15/07/21	SILVER
DEL306	Self isolation support scheme grants	Update report noted. Sue Foley would look at eligibility to seek to maximise use of funding available.	15/07/21	SILVER
DEL 307	Community Helper contract	Report noted. Agreed that Alan Sinclair would explore whether the contract could be paused/restarted rather than terminated, and explore alternative funding options if required. Subject to the above approval was given for Option 2 to not continue the use Community Helper post renewal date.	15/07/21	SILVER

DEL308	COMF Funding	Spreadsheet of proposals had been updated and reviewed. It was agreed not to support the remaining Amber schemes due to funding constraints (schools comms officer and innovation fund). Funding not agreed for community champions and Be Well at this stage. Chief Executive and Directors to seek to use any available funding for essential activity.	15/07/21	SILVER
DEL309	Requests from Workplace Safety Group	Recommendations approved for opening requests for: Parking - Office based risk assessment; Health Improvement Officers going into settings; and use of Council Chamber for full Council on 22nd July. The alternative venue was Herschel Grammar School. Silver reviewed the measures in place for the Council Chamber and emphasised the importance of compliance with room capacity; vaccination/test status for all attendees and wearing type-2 during the meeting. Directors to attend the meeting.	22/07/21	SILVER
DEL310	Report from Workplace Safety Group on implications of Working Safely Guidance at Step 4 of the Government Roadmap	All recommendations were reviewed, discussed and agreed. In general, all current practices and processes for workplace safety and services would continue at the current time. In relation to the recommendation on cleaning, the agreement was subject to the review underway which would report back to Silver in future. In relation to 'working in other peoples homes', it was noted PPE should continue to be used.	22/07/21	SILVER

DEL311	Community Helper contract (see DEL307)	Agreed that notice be served to terminate the contract, noting the potential risk that it cost £16,000 to restart the contract in future if necessary.	22/07/21	SILVER
DEL312	Safer Public Spaces Task Group	Noted that the Safer Public Spaces Task Group had been stood down.	22/07/21	SILVER
DEL313	Requests from Workplace Safety Group	Community Safety - using OH to plan	29/07/21	SILVER
DEL314	Report on Business Rate Grants Schemes	Delay the distribution of the grant until Oct 2021, grant available until March 2022, so we have time to work out the process and timing of allocations	29/07/21	SILVER
DEL315	SBC Database usage for Contact Tracing	Contact Tracing, request to have access to council tax system as staff resources to support finding info required - approved subject to GDPR and DPO	29/07/21	SILVER
DEL316	Public Health	Proposed Interim Covid19 response priorities, 5 priorities, to add children to priority 2	29/07/21	SILVER
DEL317	Requests from Workplace Safety Group	Recommendations agreed for requests relating to the safeguarding partnership team; public open days on children's centres sites; face to face meetings from the Early Help Hub; and phased return of Children's Centres group activities. Update noted regarding Health & Safety Executive follow up call at The Curve and existing arrangements to continue.	12/08/21	SILVER
DEL318	Self-Isolation Support Scheme	The update report was noted.	12/08/21	SILVER
DEL319	Requests from Workplace Safety Group	LFT mobile van outside Queensmere Town Centre	19/08/21	SILVER
DEL320	Requests from Workplace Safety Group	Communities and Leisure Youth Voice Team - Site Visits & Youth work sessions	19/08/21	SILVER

DEL321	Requests from Workplace Safety Group	Active Slough Chalvey Can updated risk assessments: Retrospective Requesto Active Slough Chalvey can – Outdoor Boxing o Active Slough Chalvey can - Chalvey Can low impact Group Exercise sessions in public outdoor facilities, Yoga/Pilates. o Active Slough Chalvey can – Outdoor Group Exercise sessions in public outdoor facilities, Boxercise, Bootcamps, HIIT, Street Dance. o Active Slough Chalvey can – Outdoor Tennis	19/08/21	SILVER
DEL322	Requests from Workplace Safety Group	Community Development Team - Resident mural painting at Grampian Way	19/08/21	SILVER
DEL323	Requests from Workplace Safety Group	Self - Isolation report, actions in green accepted and noted for comms	19/08/21	SILVER

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council **DATE:** 23<sup>rd</sup> September, 2021

**CONTACT OFFICER:** Shabana Kauser  
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07821 811 259

**WARD(S):** All

**PART I**  
**FOR DECISION**

**MOTION SUBMITTED TO COUNCIL UNDER PROCEDURE RULE 14**

The following motion has been received in accordance with Council Procedure Rule 14:-

**A) FIRE AND REHIRE (THE PRACTICE OF TERMINATING EMPLOYEES' CONTRACTS FOR THE SOLE PURPOSE OF REDUCING TERMS AND CONDITIONS OF EMPLOYMENT BEFORE REINSTATEMENT)**

(Moved by Councillor Ajaib, seconded by Councillor Mohammad)

"This council opposes the use of Fire and Rehire tactics on workers. We resolve to support Unions lawfully engaged in protecting their members against Fire and Rehire tactics and call on businesses to instead enter meaningful negotiations with workers and their representatives.

To this end the council resolves to;

- Declare its opposition to Fire and Rehire practices;
- Write to its two MPs to ask that they lobby government to outlaw this practice
- Open a dialogue with our contractors to discover and discuss use of this practice in their operations."

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