

Date of issue: Friday, 8 July 2022

<b>MEETING:</b>	<b>CABINET</b>	
	Councillor Swindlehurst	Leader of the Council and Cabinet Member for Council Recovery, Forward Strategy & Economic Development
	Councillor Mann	Deputy Leader and Cabinet Member for Housing & Planning
	Councillor Ajaib	Customer Services, Procurement & Performance
	Councillor Akram	Leisure, Culture & Community Empowerment
	Councillor Anderson	Financial Oversight & Council Assets
	Councillor Bains	Public Protection, Regulation & Enforcement
	Councillor Hulme	Children's Services, Lifelong Learning & Skills
	Councillor Nazir	Transport & The Local Environment
	Councillor Pantelic	Social Care & Public Health
<b>DATE AND TIME:</b>	<b>MONDAY, 18<sup>TH</sup> JULY, 2022 AT 6.30 PM</b>	
<b>VENUE:</b>	<b>COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL</b>	
<b>DEMOCRATIC SERVICES OFFICER:</b> <b>(for all enquiries)</b>	<b>NICHOLAS PONTONE</b>	<b>07749 709 868</b>

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



**GAVIN JONES**  
Chief Executive

## Agenda

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
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.	Minutes of the Meeting held on 20th June 2022	1 – 10	
3.	Financial Action Plan - Update	11 – 90	All
4.	Risk Management Strategy	91 – 118	All
5.	<b>Senior management team restructure</b>	119 – 128	All
6.	<b>IT Team Restructure</b>	129 – 142	All
7.	<b>Procurement of an Integrated Substance Misuse Recovery and Treatment services including Shared Care</b>	143 – 176	All
8.	<b>ASC Debt Recovery Policy</b>	177 – 210	All
9.	<b>Options to increase income from leisure contract</b>	211 – 246	All
10.	<b>Charging for Garden Waste Collection</b>	247 – 258	All
11.	<b>Slough Urban Renewal – disposals update</b>	259 - 272	All
12.	Exclusion of Press and Public	-	-

*It is recommended that the Press and Public be excluded from the meeting during consideration of the item in Part 2 of the Agenda, as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding the information) as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended) and paragraph 5 relating to information in respect of which a claim to legal professional privilege could be maintained in legal proceedings*

## PART II

13.	<b>Procurement of an Integrated Substance Misuse Recovery and Treatment services including Shared Care - Appendices 1-3</b>	273 - 280	-
14.	<b>Options to increase income from leisure contract</b>	281 - 290	-
15.	<b>Slough Urban Renewal - disposals update Appendix</b>	291 - 392	-

### 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.

Note:-

**Bold = Key decision**

Non-Bold = Non-key decision

**AGENDA  
ITEM**

**REPORT TITLE**

**PAGE**

**WARD**

**Cabinet – Meeting held on Monday, 20th June, 2022.**

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

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

**PART 1**

**1. Declarations of Interest**

No declarations were made.

**2. Minutes of the Meeting held on 21st and 29th March and 17th May 2022**

**Resolved** – That the minutes of the meetings held on 21<sup>st</sup> March 2022, 29<sup>th</sup> March 2022 and 17<sup>th</sup> May 2022 be approved as a correct record.

**3. Cabinet portfolios and Lead Member responsibilities 2022/23**

The Cabinet formally noted the portfolios and responsible Lead Members appointed by the Leader of the Council, as detailed in Appendix A to the report. The Leader explained the rationale for the changes to some portfolios and appointment of an additional Cabinet member, bringing to the total to nine. It was also noted that the Leader had appointed Councillor Pavitar Kaur Mann as Deputy Leader of the Council in accordance with Part 2 Article 7 (10) of the Constitution.

The report was noted and recommendations agreed.

**Resolved -**

(a) That the portfolios and responsible Lead Members as appointed by the Leader of the Council be noted.

(b) That the appointment of Councillor Pavitar Kaur Mann as Deputy Leader of the Council be noted.

**4. Council Tax Energy Bill Rebates Scheme**

The Lead Member for Financial Oversight & Council Assets introduced a report that set out the recommended approach for the utilisation and award of Discretionary Energy Bill Rebates.

It was noted that from 1<sup>st</sup> April 2022, households were entitled to a non-repayable energy payment rebate of £150, know as a the Council Tax Rebate, for every household in Council Tax bands A-D. The Council was required to provide a discretionary scheme for those in bands E-H who were

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in need but not entitled to the Council Tax Rebate. The proposed scheme was set out in Appendix 1 to the report. The Lead Member stated that the scheme had been designed to support those most in need and balanced fairness with administrative efficiency. It was explained that the scheme would run from November until the funds had been used and that the discretionary fund totaled £363,000.

An update was provided on the rebate and it was noted that the Council had paid the £150 to all residents in Council Tax bands A-D who paid their Council tax by Direct Debit. Households that did not pay by Direct Debit had been invited to apply to receive the rebate.

Councillor Strutton addressed the Cabinet and welcomed the discretionary scheme overall. He asked about payments to pensioners and why the rebate hadn't been credited to the Council Tax bills for ease of payment. The Lead Member responded that the Government had not permitted Council's to make the payment in that way and that meant even households in Council Tax arrears would receive the rebate.

At the conclusion of the discussion the Cabinet approved the policy.

### **Resolved -**

- (a) That the policy at Appendix 1 to the report for the allocation of the discretionary funding to support vulnerable households to meet their energy bills be approved. The following groups would be supported:
  - i. A single one-off payment of £150 will be awarded to any household who resides in a dwelling with a Council Tax band E-H and are in receipt of Council Tax Reduction. Current cases 200 costing £30,000
  - ii. A single one-off payment of £150 will be awarded to any household who resides in a dwelling with a Council Tax band E-H and are entitled to a reduction under the Council Tax (Reduction for Disabilities) Regulations 1992. Currently 30 cases costing £4,500
  - iii. A single one-off payment of £150 will be awarded to any household who resides in a dwelling with a Council Tax band E-H and are entitled to a reduction as a result of Severe Mental impairment. Currently 5 cases costing £750
  - iv. A single additional payment of £30 (in addition to the mandatory payment) will be awarded to any household who resides in a home with a Council Tax band A to D and is in receipt of Council Tax reduction on the 1st June 2022. Currently 9,500 cases costing £285,000
  - v. Retain a small pot of £43,200 to make awards for energy support identified through the Household support fund scheme.

- (b) That delegated authority be given to the Council's Section 151 Officer, in consultation with the Lead Member for Financial Oversight and Council Assets, to make technical scheme amendments to ensure the scheme meets the criteria set by the Government and the Council.

## **5. Finance Department Restructure**

The Lead Member for Financial Oversight & Council Assets presented a report which sought approval to a restructure of the finance and commercial services sections within the Corporate Operations Department.

The Council's external auditors and various recent Government reports had highlighted the need to significantly strengthen the finance and commercial services function and the proposed restructure sought to put in place a structure that was sustainable and underpinned the future success of the department and the Council.

Job descriptions have been fully evaluated by HR and trade unions and that it is important that the Council is confident that they are recruiting people appropriately qualified at the relevant levels due weaknesses identified in the past. It was confirmed that there would be no compulsory redundancies and that the aim was to move from interim staff to a full time permanent workforce over time. There would be opportunities for staff to develop their skills and careers in Slough and continuous development was a key part of the approach being taken.

Lead Members welcomed the new structure in principle and recognised the importance of strengthening the finance department. The cost and affordability of the structure was queried and it was responded that the overall budget was within the amounts approved by Cabinet in 2022/23 budget and included in the assumption made in the Capitalisation Direction agreed by the Department for Levelling Up, Housing & Communities. The Cabinet specifically noted the comments of the Commissioners including the recommendation to move the payroll function to operate under financial transactional services.

Members asked a number of questions about the number of graduate and trainee level roles and the steps that would be taken to make Slough an attractive place to come to work.

In response to a question about entry level roles it was explained that there is provision for graduates and trainees and that there is an intention to have a defined graduate entry system to train and qualify individuals in house.

Questions were asked about the increase in the number of higher level posts in the new structure. It was responded that strategic finance managers would be allocated to each departments and would work with services more closely. It was considered these roles were crucial and that over time there would be increase in automation and the use of technology. The Cabinet agreed the

proposed structure was appropriate for Slough in the current financial position, and that it may evolve in the future as and when the Council stabilised its finances.

The Cabinet agreed the recommendations.

**Resolved -**

That the restructure of services be approved, to consolidate them into a wider finance directorate, including the core operational finance teams (financial management and strategic and corporate finance), transactional finance teams (accounts payable and accounts receivable excluding revenues and benefits), a strengthened commercial services team and a new team that brings together financial governance, risk, insurance, internal audit and counter fraud and investigations and involving the following specific changes:

- i. Increased internal capacity in the commercial services team to replace services provided by an external contractor;
- ii. Increased internal capacity in the team covering internal audit to replace services provided by an external contractor;
- iii. The transfer of the counter fraud and investigations team into a wider financial governance team;
- iv. The transfer of the revenues, benefits and charges team into the finance department.

**6. Re-procurement of Adult Social Care Domiciliary Care Contracts**

The Lead Member for Social Care & Public Health introduced a report which sought approval to award contracts to 9 suppliers of domiciliary care which had been tendered by competitive process via the Council's Adult Social Care Dynamic Purchasing System. This would ensure a sufficiency of supply once the first tranche of existing contracts expired in July 2022.

In March 2022, the Cabinet had approved the re-tendering of two tranches of domiciliary care contract, which provided vital care enabling individuals with assessed care and support needs to remain living at home. The proposed award to 9 suppliers in the first tranche was an increase on the current number of 6.

The Cabinet considered and noted the Part II appendices without disclosing any exempt information.

Lead Members agreed the contract awards and discussed the lessons learned ahead of the second tranche of procurement. The main issues identified were mainly around communication and not being able to navigate the portal and the steps being taken to address these issues were summarised. The Cabinet supported to understand the blockages and assist

potential suppliers with the procurement process to secure the best and most diverse providers available. It was good practice to provide training and ensure providers details in the procurement portal were up to date. Officers assured Cabinet that the Council had good coverage of different language speakers and this would be improved under the new contracts.

The wider market challenges were discussed and these included recruitment and retention and rising cost pressures and inflation. The work providers were doing with the Council to address these issues were noted.

At the conclusion of the discussion the Cabinet approved the recommendations.

**Resolved -**

- (a) Agreed to the award of contracts to 9 suppliers for the provision of domiciliary care. This will be to suppliers 1,9,10,13,15,16,19, 22 and 24. Full details were contained at Exempt Appendix A.
- (b) Agreed to the issuing of contract extensions and variations to existing tranche 1 providers who did not bid for new contracts, for a six month period until 16 January 2023. This would enable providers to continue to work with up to 155 service users whilst alternative arrangements are put in place, but not to take on new referrals.
- (c) Noted that lessons learned from the tendering process relating to tranche 1 would be built into arrangements concerning the tendering process for tranche 2 .
- (d) Delegated authority to the Executive Director for People (Adults) in consultation with the Lead Member for Social Care and Public Health to have oversight of the mobilisation period and to be kept apprised of changes in the local adult social care market.

**7. Procurement of Integrated Community Equipment Service**

The Lead Member for Social Care & Public Health introduced a report which sought approval to progress the development of a new model for Community Equipment Service jointly with the other Berkshire local authorities and statutory health bodies, led by West Berkshire Council. This arrangement aimed to support the delivery of economies of scale by drawing together the planning and purchasing power of local authorities and health bodies across the region.

There has been a s75 agreement in place since February 2015 and the Council intended to continue to collaborate with providers in Berkshire as they have done in the past. It was explained that the potential for savings was limited under the scheme as there were limited suppliers available in the area.

Questions were asked by Lead Members and Councillor Strutton about a range of issues including monitoring performance and responsiveness. It was explained that the Council has key performance indicators for same day, next day and weekend delivery depending upon the item of equipment and the individual situation. There was a large store in West Berkshire and a local store in Slough that aimed to respond quickly to time sensitive requests. It was explained that more complex equipment may take longer and where there is work required to be carried out in the property they aim to get this carried out in 5 days. The reasons were equipment was sometimes delayed was explained and all necessary steps were taken to provide a timely and responsive service.

A Cabinet Member asked how the Council would ensure value for money, and it was explained that they were actively re-using and recycling equipment as much as possible. The Officer also noted that they undertake a lot of engagement for feedback which was shared with the Berkshire steering group and then fed back to each partner in terms of lessons learnt.

At the conclusion of the discussion the recommendations were approved.

**Resolved –**

- (a) Agreed to Slough Borough Council working in partnership with local authorities and statutory health bodies across Berkshire to develop a new model for the delivery of community equipment services, led by West Berkshire Council.
- (b) Delegated authority to the Executive Director People Adults in consultation with Lead Member Social Care and Public Health, and Lead Member Children's Services, Lifelog Learning and Skills, to have oversight of the development process.
- (c) Approved the continuance of the Berkshire Community Equipment Service (BCES) Section 75 Agreement. (This is the vehicle through which funding between statutory bodies can be pooled)
- (d) Noted that a paper concerning the proposed new model will be presented to People Scrutiny Panel in Spring 2023.
- (e) Agreed that recommendations and updates concerning the re-procurement of new community equipment services will be presented to Cabinet in Spring 2023.
- (f) Agreed that recommendations for contract award for new community equipment services will be presented to Cabinet in Winter 2023.

**8. Re-procurement of Adult Social Care Extra Care Contracts**

The Lead Member for Social Care & Public Health introduced a report that sought approval to procure integrated care and support in extra care

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services. In January 2022, Cabinet had approved the extension of the current contract and the commencement of a new commissioning process to design a revised model.

The Cabinet was asked to approve the to procure Integrated Care and Support in Extra Care Services for a 3-year contract plus one extension period of one year each from 1st April 2023 to 31st March 2027. The extension was subject to satisfactory performance throughout the initial contract period and that the contract is assessed as continuing to meet best value requirements. The pricing scenarios were set out in the appendix, which included exempt information. The Cabinet noted this in Part I without disclosing any of the exempt information.

The Lead Member highlighted that the co-production network had been engaged in the discussions and this was welcomed by the Cabinet.

After due consideration, the recommendations were approved.

### **Resolved -**

- (a) Agreed to the procurement of the Integrated Care and Support in Extra Care contract via the Council's Adult Social Care Dynamic Purchasing System, on a three-year basis with scope for one extension of one year. This would be subject to satisfactory performance throughout the initial contract period and that the contract is assessed as continuing meet best value requirements.
- (b) Delegated authority to the Executive Director for People (Adults), in consultation with the Lead Member for Social Care and Public Health, to have oversight of the procurement process.
- (c) Agreed that recommendations for contract award would be presented to Cabinet in December 2022.
- (d) Noted the pricing scenarios included at Exempt Appendix A

## **9. Draft Home to School Travel Assistance and Post 16 Travel Assistance Policies for Consultation**

The Lead Member for Children's Services, Lifelong Learning & Skills introduced a report which proposed to review its school travel assistance policies to enable the Council to continue to deliver its statutory responsibilities, improve outcomes for children and young people with SEND and controls costs.

The policy had most recently been updated in 2019 but the policy had not been fully reviewed since 2016 and the system was considered to have inefficiencies which contributed to high and rising costs. It was proposed that the policies in the appendices to the report go out for public consultation.

The Cabinet welcomed the review and consultation. Lead Members were supportive of the principles and commented on the importance of promoting independence, particularly in a relatively small borough such as Slough with a good sustainable transport options. It was noted that some comparator authorities in Berkshire were appeared able to contain the costs of transport and any lessons learned should be explored. In response to a question about the 190 beneficiaries of the scheme who do not have an EHCP, it was explained that these qualify through other criteria and that the EHCP was not the sole requirement.

In response to a question about the consultation process it was explained that the Council has identified a number of dates and will be carrying these out in different parts of the town in the day and evening to encourage wider representation.

The recommendations were agreed.

**Resolved -**

- (a) Approved the strategic aims to support deliver of the Council's statutory responsibilities in relation to providing travel assistance to attend school and colleges.
- (b) Approved the policies attached at Appendices 1 and 2 to the report in draft and authorise a public consultation to take place from the end of June to August 2022.
- (c) Noted that a report would be brought back to cabinet early in the 2022/23 Autumn Term for approval of the final policies, following consideration by the People Scrutiny Panel on 12 September 2022.

**10. Improvement & Recovery - Asset disposals programme**

The Lead Member for Financial Oversight & Council Assets introduced a report which set out the next steps in the asset disposal programme, which was a fundamental part of the Council's financial recovery. Asset disposals were essential to fund the Capitalisation Direction and reduce borrowing risk.

The report proposed recommending to full Council amendments to the Executive Functions and the Executive Procedure Rules of the Constitution to require decisions on a disposal of an asset via a lease at less than best consideration to be a reserved function of the Cabinet and to set up a new Cabinet committee to oversee the asset disposal programme. The Cabinet committee would regularly report and make recommendations for disposal to Cabinet via a standing agenda item.

The Leader emphasised that disposal decisions would still be taken by Cabinet and that the standing item on Cabinet agendas would be to receive recommendations from the Cabinet Committee. The Cabinet recognised the importance of progressing the asset disposal programme in a timely manner,

whilst ensuring the programme was properly managed and followed good governance. The proposals in the report sought to support this approach.

Councillor Strutton addressed Cabinet and asked about the reasons for disposing of out of borough assets first rather than some in borough assets. The Lead Members explained the reasons which included the fact out the in borough assets were more complicated to dispose of as they may be operational sites or have been purchased as development sites. It was noted that a report on some Slough Urban Renewal assets was due to be considered by the Cabinet in July 2022.

At the conclusion of the discussion the recommendations were agreed.

**Resolved –**

Cabinet agreed:

- (a) A report to full Council recommending amendments to Part 3.5 - Responsibility for Executive Functions and Part 4.4 Executive Procedure Rules of the Constitution to require decisions on disposal of an asset via a lease at less than best consideration to be a reserved function of Cabinet and to set up a new cabinet committee to oversee the asset disposal programme.
- (b) The Cabinet Committee – Asset Disposal Programme would provide Cabinet with a regular progress report on the disposals programme (standing agenda item) including recommendations for disposal for those assets that are deemed key decisions.

Cabinet noted:-

- (a) The process being followed in the consideration of asset disposals.
- (b) The decision to market the assets located out of the borough of Slough.

**11. Bus Enhanced Partnership**

The Lead Member for Transport & the Local Environment introduced a report which set out the general principles and core elements of the Enhanced Partnership Plan and Scheme (“EPPS”), including a summary of the main elements within the plan and the related governance framework. The proposal was to submit the EPPS to the Department for Transport and to formally establish the Enhanced Partnership (EP) with the bus operators.

The Officer gave a presentation on the aims and objectives of the partnership to seek to improve bus services in Slough. He explained that the governance of the scheme would comprise of a two tier level of management, the first of which is the working group level where proposals are put together before being referred to the board of governance which is the key decision making and voting group. The voting was designed to be unanimous to remain

consensus based and all proposals would be subject to feasibility assessments and funding. Slough had been awarded funding in the first bidding round for its Bus Service Improvement Plan, but the Enhanced Partnership would help strengthen bids in further rounds.

In response to a question on bus users it was explained that there was not currently a bus user group in Slough. The Cabinet agreed this was something that should be encouraged so that bus users had a strong voice and could contribute to the partnership. The Lead Member and Officers were asked to consider how this could be taken forward.

The recommendations were agreed.

**Resolved –**

Cabinet agreed:

1. That the EPPS be noted in particular the proposed plan and governance arrangements.
2. Delegated authority to the Executive Director - Place and Community, in consultation with the Lead Member for Transport and the Local Environment, to:
  - (a) approve the final version of the EPPS in a form to be submitted to the DfT,
  - (b) approve the formal commencement of the EP with the bus operators.

**12. Exclusion of Press and Public**

The Cabinet was able to conduct all business during Part I of the meeting therefore the press and public were not excluded from the meeting.

**13. Re-procurement of Adult Social Care Domiciliary Care Contracts - Appendices 1-4**

The Part II appendices were considered and noted in resolving the matters contained in the Part I report.

**14. Re-procurement of Adult Social Care Extra Care Contracts - Appendix**

The Part II appendices were considered and noted in resolving the matters contained in the Part I report.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.34 pm)

**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	18 July 2022
<b>SUBJECT:</b>	Financial Action Plan – Update
<b>PORTFOLIO:</b>	Councillor Rob Anderson Cabinet Member for Financial Oversight and Council Assets
<b>CHIEF OFFICER:</b>	Steven Mair – Executive Director Finance and Commercial (s151)
<b>CONTACT OFFICER:</b>	Steven Mair – Executive Director Finance and Commercial (s151)
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	No
<b>EXEMPT:</b>	No
<b>DECISION SUBJECT TO CALL IN:</b>	No

**APPENDICES:**

Appendix 1 - Risk assessment  
Appendix 2 - Response to CIPFA Review  
Appendix 3 - Response to DLUHC Governance Review  
Appendix 4 - Response to Grant Thornton's recommendations

**1 Purpose and Recommendations**

- 1.1 To provide Cabinet with the background to the Council's financial position and an update on the work undertaken to respond to the many and very serious financial challenges and the recommendations made by external agencies .
- 1.2 Cabinet are recommended to note the progress and issues arising from the continued work on the above
- 1.3 Cabinet is requested to recommend the report to Council.

**Commissioner Review**

- 1.4 Given the history of the items mentioned in this report, the Commissioners are pleased to see progress with the identified actions.

## 2 **Report**

### **Background**

- 2.1 As Members are aware the Council during 2021-22 received the following:
- statutory and non-statutory recommendations from the external auditor,
  - a significant number of recommendations from internal audit,
  - a s114 notice from the Director of Finance, highlighting a then estimated budget gap of at least £174m and a wide range of financial management issues which will require a great deal of extensive long term work to correct. These issues have developed further as the Council finance team continues its work which began in May 2021 and has been reported to Full Council since September 2021
  - a report from the Chartered Institute of Public Finance and Accountancy (CIPFA) in October 2021 that highlighted there was a high likelihood that this figure could grow. This has proven to be the case. The latest forecast is that the Council will need an unprecedented level of support of a capitalisation direction of circa £479m to 2028/29 (assuming the Council meets its various financial challenges) in order to place it on a sustainable financial footing for the future, of which £223m is required to deal with historic issues and £84m for 2022/23 to enable the Council to deliver a legal budget for 2022/23.
  - reports from both DLUHC and CIPFA. Both reports identifying significant weaknesses in financial management processes, governance and internal control
  - a written ministerial statement and directions (reported on separately) and
  - an intervention package from DLUHC
- 2.2 Grant Thornton recommended regular reporting to members on year-end close and audit matters. This is a statutory recommendation which the Council cannot ignore.
- 2.3 The DLUHC/CIPFA reviews issued in October 2021 also recommended more regular reporting to members on the Council's financial position.
- 2.4 The Commissioners appointed to oversee the Council's financial recovery expect regular reports to evidence the progress made since the various critical reports were issued.
- 2.5 It is important to remember that the Council's very serious financial challenges have arisen over a period of several years and represent the combined impact of a wide range of issues. These problems are now being addressed but designing, implementing and embedding new processes together with the required changes to organisational culture will take a further estimated 4 years. A detailed assessment of the improvement timeframe is becoming clearer as the finance team undertake further investigations and assess the scale and nature of the improvements required, which are very extensive. This report sets out progress to date, the current and emerging issues, the actions and proposed timescales for further improvements. The

work required has to be prioritised and delivered within the available budget and the staffing resources secured

- 2.6 The Finance department developed a comprehensive business plan for 2022-23 which is now the focus of delivery and improvement activity for the team. This report is structured against the departmental aims and objectives set out in the plan which are aligned with the key objectives of the Corporate Plan and the Recovery and Improvement Plan.
- 2.7 This report also includes a summary of the responses to the recommendations in various reports from external agencies during 2021/22. It is important to retain this link as the recommendations provide the basis of the improvement agenda and assist in framing the scale of the financial challenges facing the council.
- 2.8 Appendix 1 of the May Cabinet report outlined in detail the significant amount of progress that had been made in implementing changes to the financial systems and procedures during 2021/22. This detail has not been repeated in this report but should not be under-estimated in terms of the platform it has given to enable the finance function to move forward in a more sustainable manner. A summary of the significant work undertaken is shown below:
- overhauling financial reporting and the statements of accounts and year end closedown processes
  - improving budget setting and compiling the capitalisation direction
  - improving the budget process and allocations method
  - improving capital budget monitoring and capital receipts
  - developing financial business partnering
  - improvements to financial accounting and control
  - reviewing interests in companies
  - improving procurement and contract management
  - making arrangements to bring internal audit in-house
  - improving the response to audit recommendations
  - stabilising the insurance function
  - improving revenues and benefits services
  - reviewing the Housing Revenue Account (HRA)
  - improving the approach to the Dedicated Schools Grant (DSG)
  - implementing a financial modelling and business case approach
  - reviewing the fees and charges policy
  - implementing an expenditure control process
  - developing a procurement strategy
  - improving risk management arrangements

however, many risks and issues remain before the Council can be deemed to be operating in a fully acceptable and sustainable financial manner. It is expected that it will take up to a further four years for the Council to be in this position. Appendix 1 sets out the key risks facing the finance department in 2022/23 and beyond.

- 2.9 Appendices 2 - 4 shows the detail and the current position in relation to the responses and progress against the recommendations in the following external reports:

- the DLUHC Governance Review
- the CIPFA Review
- Grant Thornton's statutory recommendations

A summary of the current position and key issues are shown in section 3.

2.10 The key actions for 2022/23 are shown against each of the business plan objective areas in sections 4-12 below. These include the remaining issues, actions and timelines for completion. The department is working towards:

- delivering financial sustainability and improved medium-term financial planning
- improving financial reporting and accounts closedown
- developing capacity, capability and standards across the whole Department and improve our customer services offer
- developing business case capability to support decision making
- developing and implementing a people, training and culture strategy.
- further developing and implementing the asset management and investment strategy.
- establishing a new procurement and contract management function
- improving governance, counter fraud, internal audit, risk management and insurance
- further improving the revenues, benefits and charges service

2.11 Major progress to note currently are:

- the 2018/19 accounts have now been submitted to the external auditors and work on the audit has commenced. This has identified an extensive range of issues and will provide a solid base for future years accounts
- it is anticipated that an indicative 2021/22 outturn position will be available shortly (subject to the closure of the accounts which will not be until March 2023), as will updates on 2022/23 monitoring and 2023/34 budget proposals
- capital receipt generation is now beginning, see report to Cabinet on the 18<sup>th</sup> July
- the finance restructure has been agreed by Cabinet which will allow the Council to progress towards securing a new permanent finance service
- the Dedicated Schools Grant outturn is estimated (subject as above the closure of the 2021/22 accounts) to have delivered the £2.3m, 32% reduction in the original estimated overspend

2.12 All of the work referred to in this report is extensive, demanding and will continue to evolve. It was always envisaged that the format of these reports will develop over time as is evidenced in this document. New issues will continue to be identified and will be reported to members as and when they emerge.

### **3 External Reports from CIPFA, MHCLG/DLUHC, Grant Thornton and Directions**

- 3.1 Detailed responses to the reports received from MHCLG/DLUHC, CIPFA, Grant Thornton and the formal Directions from DLUHC are shown in detail in Appendices 2-4. Table 1 below shows a summary of the progress to date against each set of recommendations.

Table 1: Progress on implementing recommendations from external reports

Report	No of Finance Related Recs	Complete	Partially complete / On Track for deadline
CIPFA (Appendix 2)	21	13	8
MHCLG/DLUHC (Appendix 3)	20	7	13
Grant Thornton (Appendix 4)	23	13	10
<b>Total</b>	<b>64</b>	<b>33</b>	<b>31</b>
<b>Total %</b>		<b>52</b>	<b>48</b>

- 3.2 Significant progress has been made on completing and responding to the recommendations from the various reports issued by CIPFA, DLUHC, Grant Thornton and within the Directions issued by Government during 2021/22. 52 per cent of all recommendations have been completed with the remainder on track to complete during 2022/23. Since the last report the number of complete recommendations has increased from 28 to 33. The remaining recommendations will be implemented in the medium to longer-term due to their nature although a vast majority are expected to progress during 2022/23 and 2023/24.
- 3.3 Appendices 2 - 4 set out in detail the findings from all these reports and the responses to date. By their nature the reports include some duplication but we continue to track all matters at a detailed level in order to ensure they are completed at the earliest opportunity. The Council will be continuously reviewing and improving its response to the actions to the extent that even those marked as complete will be subject to further development and they will be marked as such and reported back to the Committee as appropriate.

#### 4 **Deliver Financial Sustainability and Improved Medium Term Financial Planning**

The key actions against this objective are shown below with a RAG rating outlining progress to date:

<b>Objective : Deliver Financial Sustainability and improved Medium-Term Financial Planning</b>		
Planned Actions	Responsibility	By When
We will continue to improve budget setting and strategic financial planning by reviewing procedures and implementing systems of expenditure control, income generation and asset management.	Fin Mgt	Initially May 2022 for 23/24 budget  Refined by September 2022
We will continue to improve system interfaces and reduce manual processes thereby improving efficiency and reducing the risks of associated with manual interventions	Financial Systems Team	December 2022
We will provide finance training for Budget Managers and Members	Finance Team	On-going during 2022
We will develop a Debt Strategy with a set of principles around efficiencies or receipts not previously identified	Accounts Payable and Receivable	October 2022
Getting the basics right - there remains the need to ensure that all the key financial controls, management and reporting routines are in place as a base on which to build the changes that are needed. Review and monitoring will be supplemented with training in the department and training for members and departmental teams to ensure responsibilities are understood	Finance Team	On-Going throughout 2022/23 and 2023/24

#### **Financial Sustainability, Improved Budget Setting and Financial Planning**

- 4.1 The key factors for ensuring future financial sustainability are the continued support of DLUHC in the form of future capitalisation directions; the achievement of £20m of savings per annum; the sale of up to £600m of assets; improved financial management and control and the preparation and audits of the various sets of accounts without the audit process identifying any additional material items.
- 4.2 DLUHC support for £307m was agreed in principle in March 2022 following submission of a detailed capitalisation direction request for the period from 2008/09 up to and including 2022/23. This is subject to regular monitoring and review and without which the Council would not have been able to set a balanced budget.
- 4.3 Detailed savings plans are in place for 2022/23 and these are being closely monitored. Where pressures have been identified then alternative courses of action have been sought.

- 4.4 In respect of the Medium-Term Financial Planning process, £16.4m of savings proposals have now been put forward from service areas across the council in order to meet the target set (excluding SCF) for 2023/24. A timetable has been drafted to work through the process from here to final council approval of the budget in March 2023. The initial steps of producing a series of Equality Impact Assessments (EIAs), Action Plans and Business Cases for the savings are underway.
- 4.5 Four training webinars have been held to support the savings proposal owners understand the requirements of the EIAs, guidance has been produced and issued, and the EIA template updated to include a traffic light risk summary which will help members understand clearly where attention may need to be focused.
- 4.6 Later in the year there will be a Corporate Budget Review Group convened to enable officers from across the support services (HR, Procurement, Legal, IT Finance) to understand and ask questions about the proposals and identify any implications or issues which will require their support in the implementation.
- 4.7 Refinement will continue through to September 2022 and then Scrutiny will take place in the autumn of 2022 with the aim of providing a clearer and more comprehensive review of the proposals than has been the case in the past. Work will also begin on preparing the zero-based budgeting process for part of 2024/25 and beyond later in the year.
- 4.8 Financial monitoring will begin with the period 3 report and work is ongoing to prepare for this. This will focus on the deliverability of the 2022/23 savings as well as any known variances, risks and opportunities to the outturn forecast.
- 4.9 A review of sales, fees and charges will take place later this year with a view to bringing a report to Cabinet in the autumn for approval on changes to existing prices and any new fees to be considered.

### **Asset Disposals**

- 4.10 Cabinet have previously approved an orderly programme of **asset disposals** totalling up to £600m over the next five years. These capital receipts will be used to repay external borrowing, which will reduce the impact of debt charges on General Fund revenue budgets. The strategy to achieve this has been agreed and is now being implemented. A number of pieces of consultancy work have been procured to assist in ensuring this process happens in a timely manner.
- 4.11 In order to manage the envisaged reductions in capital expenditure a new Capital Programme and Treasury Management Strategy has been drawn up and presented to members as part of the 2022/23 budget process. To ensure there is strengthened governance around the programme a Cabinet Sub-Group focusing on Asset Disposals and reporting to the Cabinet on a regular basis is to be formed subject to Full Council approval in July.

- 4.12 The asset disposal strategy is well underway with the Council's external advisors (Avison Young) due to report back on an overall strategy by 30 June and alongside an appraisal of the Council's property management arrangements. The capital programme was approved for the period to 2026/27 in March 2022 as part of the Council's budget-setting process. For the first time in a number of years, the capital programme was forecast over a 5-year period in line with best practice rather than a two-year period. This gives the Council a better strategic oversight of its future capital expenditure plans. The opportunity was also taken to re-configure the capital programme to minimise the previous reliance on borrowing as a source of finance and limit the programme to schemes which are financed from other sources.

### **HRA Business Plan**

- 4.13 The **HRA** 30-year business plan was not updated before setting the 2021/22 budget. As part of the budget setting process for 2022/23, the 30-year HRA business plan has been updated to reflect the Council's current financial position.

### **Core Financial Systems**

- 4.14 The Council uses **Agresso** for its core financial systems, procurement, payroll and HR. Initially installed in 2016, the system is still fit for purpose but is not currently used to its full capacity. Workstreams have begun to amend the way the system is utilised in order to use the current system to the best of its capacity.
- 4.15 The focus in the last 12 months has been finalising projects that relate to HR and Payroll enhancements as well as improving the overall user experience. This will be completed by August 2022.
- 4.16 Finance and Procurement have not been reviewed from inception of the ERP and the development of both strands is the next stage in the quest to make optimal use of the ERP for SBC. The scope of this development will be crystalised in July with the view to the project going live in August 2022.

### **Reconciliations**

- 4.17 Due to staff turnover and lack of documented processes SBC had struggled to maintain reconciliations of major control accounts.
- 4.18 This situation has been addressed and verifiable reconciliations are now in place for council tax, and business rates and the housing benefits payments was completed at the end of June.
- 4.19 Accounts payable and accounts receivable control account reconciliations are now completed monthly and the full validation and documentation of the bank reconciliations process for the 7 main accounts that SBC uses will be completed by the end of July 2022.
- 4.20 The basis for the balances on all suspense and holding accounts as at the end of the 21/22 financial year have been documented and an ongoing

process is in place to ensure that the reconciliations are completed by the relevant stakeholders in a timely fashion.

### Dedicated Schools Grant (DSG)

- 4.21 Local authorities are facing increased demand for places for pupils requiring specialist education provision, which has risen in Slough by 86% since 2015. As well as this significant increase in numbers, the complexity of pupils' needs is also increasing. The Council's DSG deficit has also been growing. The overall deficit has grown from £4.9m in 2015/16 to £19m at 31 March 2021, and could potentially grow to £42m by 2024/25 without further action.
- 4.22 No action had been taken to address this situation until May 2021. The outturn position in 2020/21 was an overspend of £7.2m and it was anticipated that an overspend of £7.2m would occur in 2021/22. However, as a direct result of the actions since undertaken the final outturn position for 2021/22 has dropped to £4.9m, a reduction of circa £2.3m when compared to last year's position. It will take several years for financial balance to be achieved and for the situation to improve. The significant progress made in 2021/22 will be built upon for 2022/23.

### Sundry and Adult Debt

- 4.23 There was an improvement in debt recovery from September 2021 to March 2022 which reduced the overall level of debt year on year. This will be consolidated through the rest of the year. Although there has not been a significant change in total debt outstanding in the past three months, £16.8m of payments have been received as new invoices raised have been paid promptly.

Year	30 - 59 Days	60 - 89 Days	90 - 119 Days	120 - 365 Days	Over 365 Days	Total
	£000	£000	£000	£000	£000	£000
31.03.21	242	332	555	2,597	5,482	9,208
31.03.22	263	493	149	2,176	3,321	6,402
Reduction	21	161	(406)	(421)	(2,161)	(2,806)
24.06.22	563	532	585	1,935	3,365	6,981

- 4.24 The debt outstanding includes an element of debt that is not been pursued that is secured, e.g. Adult Care Clients defer their repayments until their property has been sold or is in dispute. This is £1.7m at 24.06.22.
- 4.25 In July 2021 there was a large backlog of outstanding financial assessments in Social Care, 775 in total. The non-residential assessments, 386 were cleared in January 2022 and just 49 of the 389 of the residential assessments are now outstanding. These are the more difficult ones to collect.
- 4.26 A new online self-service portal is in the process of being implemented for Adult Social Care services where clients can input their financial information and receive an illustration of what their financial contribution will be that will be verified by the financial assessments team.

- 4.27 **Creditors Improvements** - Significant numbers of invoices had been “parked” i.e. had been put on the finance system without being dealt with, £6.6m at May 2021, risking late payment and costs not being included in the accounts. The bulk of these have now been cleared, with just £21k of invoices now parked.
- 4.28 There was no analysis or monitoring of potential duplicate payments. An exercise using specialist software has identified potentially 68 payments that had a potential likelihood of being duplicates of £425k going back over six years. Those with a strong likelihood totalled £194k. To date £251k has been collected with other suppliers being chased for further information. This exercise will be completed on a regular basis going forward.
- 4.29 Plans for 2022/23 include introducing an Optical Character Recognition (OCR) system so invoices can be scanned and matched to orders to reduce manual input and software will be introduced to allow for monitoring of duplicate payments.
- 4.30 **Getting the basics right** - there remains the need to ensure that all the key financial controls, management and reporting routines are in place as a base on which to build the changes that are needed. A significant amount of work was undertaken during 2021/22 to understand the scale of the issues within the council. Whilst a great deal of work has taken place to rectify historical issues as reflected in Appendix 1 there remains a need to put in place structured and on-going reviews and monitoring of the new systems and monthly routines and procedures to ensure the function continues to meet basic standards. This review and monitoring will be supplemented with training in the department and training for members and departmental teams to ensure responsibilities are understood. This review will take into 2023/24.
- 4.31 A review of the Financial Procedure Rules is currently taking place and will report back to Cabinet with an updated version for approval.
- 4.32 A programme of training for Audit and Corporate Governance Committee members is in place. One session has been delivered to date covering an introduction to local government finance. A session on the role of the audit committee is being planned for July and a session on understanding the accounts will be delivered once the audit of the 2018/19 statement of accounts is largely complete.

## 5 Improve Financial Reporting and Accounts closedown

5.1 The key actions against this objective are shown below.

Objective: Improve Financial Reporting and Accounts Closedown		Completed
Planned Actions	Responsibility	By When
Finalise the closure and audit of the 2018/19 accounts.	Corp & Strategic Finance	June 2022
Finalise the closure and audit of the 19/20 accounts	Corp & Strategic Finance	Sept 2022
Finalise the closure and audit of the 20/21 accounts	Corp & Strategic Finance	Dec 2022
Finalise the closure and audit of the 20/21 accounts	Corp & Strategic Finance	Mar 2023
Complete the AGS for 2018/19	Corp & Strategic Finance	May 2022
Complete the AGS for 2019/20	Corp & Strategic Finance	Sept 2022
Complete the AGS for 2020/21	Corp & Strategic Finance	Dec 2022
Implement a new process for completion of the 2021/22 AGS	Corp & Strategic Finance	May 2022
Embed the new approach for 2021/22 accounts closedown	Corp & Strategic Finance	June 2022
Continue to develop the monthly reporting routines	Corp & Strategic Finance	All year

5.2 The key actions for 2022/23 are the delivery of each of the outstanding sets of accounts following the completion of the audit of the 2018/19 accounts. The Council has now completed its 2018/19 accounts and submitted them to the auditors for them to complete their audit. As a result of the investigations by the new Finance team there have been significant amendments made to the 2018/19 accounts plus many working papers, figures and narrative statements have had to be fundamentally corrected. Three versions of these accounts were provided to the auditors between July 2019 and May 2021 before the audit process was halted. In total there have been 24 material errors made that have affected over 60 per cent of the figures in the core statements and 80 per cent of the disclosure notes. Of these changes 15 changes relate to previous financial years, 8 changes correct earlier versions of the 2018/19 accounts and 1 further change has been made as a result of the Capitalisation Direction obtained in March 2022. Material changes are:

	£m	Affecting Balance Sheet	Affecting General Fund balances
Land and buildings incorrectly valued	41	41	
Infrastructure not depreciated	40	40	
MRP not charged in line with Regulations	33		33
Staff costs incorrectly capitalised	22	22	22
Investment income incorrectly recognised	10	10	10
Inadequate provisions for bad debts and rating appeals	32	33	
Liabilities not included in Balance Sheet	8	8	
<b>TOTAL</b>	<b>186</b>	<b>154</b>	<b>65</b>

- 5.3 The changes made have impacted the General Fund balances available to the Council and the Balance Sheet. The changes have decreased the net value of the balance sheet by nearly 40 per cent. The changes to property, plant and equipment reflect inaccurate asset records and incorrect capitalisation of staff costs. These main changes are shown in summary below:

	1st draft June 2019 £m	3rd draft May 2021 £m	Revised May 2022 £m
Property, plant and equipment	1,046	969	943
Other non-current assets	142	156	127
Cash and short-term investments	70	69	69
Other current assets	48	36	24
Current liabilities	(272)	(276)	(279)
Long-term liabilities	(631)	(617)	(635)
<b>NET ASSETS</b>	<b>403</b>	<b>337</b>	<b>249</b>
Usable Reserves	(81)	(71)	(70)
Unusable Reserves	(322)	(266)	(179)
<b>TOTAL RESERVES</b>	<b>(403)</b>	<b>(337)</b>	<b>(249)</b>

- 5.4 In addition, the errors have impacted the Council reserves position. The table below shows the position with and without the capitalisation and direction.

	General Fund Balance with CD	General Fund Balance without CD
GF Balance at 31 March 2017	£8m	£28m in deficit
GF Balance at 31 March 2018	£4m	£46m in deficit
GF Balance at 31 March 2019	£1m	£64M in deficit

- 5.5 Having an accurate assessment of General Fund and HRA balances is essential for setting future years budgets. Many of the Council's financial problems would have been highlighted sooner if its accounts had been produced earlier and to the standard required.
- 5.6 Following detailed discussions between the new finance team and the external auditors, it was decided that the Council will prepare and then the auditors will audit the 2018/19 accounts and then move onto subsequent years. It is intended that a set of accounts will be completed and made available for audit every quarter during 2022/23. If this happens then the Council will be back on track as regards the external audit process. The 2019/20 accounts will be prepared by end of September 2022, the 2020/21 accounts by the end of December 2022, the 2021/22 accounts by the end of March and the 2022/23 by the end of June 2023. These deadlines are subject to the outcome of the 2018/19 audit which set the baseline for the future years.
- 5.7 In order to embed the improvements for the future a number of process changes have been made including the following:
- amending the format and presentation of the Council's Statement of Accounts
  - introducing a "whole team" approach which is upskilling numerous members of staff as well as spreading the workload.
  - adopting a "right first time" approach to ensure that all year end work is completed to the expected standard before submission to audit
  - standardising the preparation and filing of supporting information
  - providing comprehensive technical guidance and training to all staff involved in closedown work
  - establishing regular liaison meetings with external audit, and a systematic process for managing and responding to audit queries
  - improving bank reconciliation processes
  - regular review of creditor and debtor balances
  - monthly reconciliation between ledger balances and supporting information
  - clearance of suspense and holding on a regular basis
  - more effective use of the ledger and coding structure to obtain efficiencies
- 5.8 Additional work during 2021/22 has been completed to address "high risk" accounting areas. Discussions have been concluded with DLUHC as to how best to recalculate the Council's MRP in a manner that meets relevant accounting and legal requirements whilst not placing unnecessary financial demands on the Council. The outcome of these discussions has been included in the capitalisation request submitted and approved in principle in March 2022.

6. **Develop capacity, capability and standards across the whole Department and improve the customer services offer**

6.1 The key actions against this objective are shown below.

Objective: <b>Develop capacity, capability and culture across the whole Department and improve customer services</b>		
Planned Actions	Responsibility	By When
Undertake a review and propose a departmental re-organisation across all grades.	Interim Financial Adviser	May 2022
Recruit to new structure	Interim Financial Adviser	October 2022
Implement a comprehensive Training and Capability Strategy which emphasises the need for investment in training and development, well-being and support, coaching and mentoring.	Strategic and Corporate Finance	April 2022 onwards
Implement a customer service strategy	Strategic and Corporate Finance	April - November 2022

6.2 There is a very large amount of work to do to rectify previous weaknesses and put the Council on a sound financial footing. The external auditors and others have recommended that the Council invests significantly in its financial capacity and capability if it is to be able to provide an adequate level of service. The finance function has to secure more permanent employees as it is currently heavily dependent on senior interim support. It is envisaged that the restructure will go some way to solving this problem.

6.3 A new staffing structure has been designed and is due to go out for consultation with staff and the Trade Unions from the 28 June 2022. Once the consultation is complete there will be an internal and external recruitment campaign during August and September to recruit to all vacant posts. The team are currently securing external support to assist with the recruitment and assessment process.

6.4 The restructure will bring the commercial services function and the internal audit function back-in-house after a period of being outsourced. It will also bring Revenues and Benefits into Finance as well as moving the Counter fraud and Investigations team from business services to finance.

6.5 Work on a revised customer services strategy is a key part of the new Corporate Plan priorities. This is not scheduled to be in place until early 2023 but work has begun between the Customer Services team and the IT teams to ensure there is a joined-up approach to making the channel shift happen alongside the changes in staffing needed to support these fundamental changes. In the interim resources have been made available and targets set for improving current performance.

## **7 Develop business case capability to support decision making**

7.1 The key actions against this objective are shown below.

<b>Objective: Develop business case capability to support decision making</b>		
<b>Planned Actions</b>	<b>Responsibility</b>	<b>By When</b>
Implement a business case review process that is compliant with HM Treasury five case model	Strategy and Corporate Finance	Designed, implementation will take place during 2022/23
Recruit specialist support to develop and train new recruits	Strategy and Corporate Finance	May /June 2022

7.2 For all projects that will progress a robust business case process following the HM Treasury model was introduced during 2021-22 and will continue to be utilised in 2022/23. All business cases are reviewed by the Expenditure Control Panel before approval. Additional requirements have been put in place regarding the quality of reports submitted to decision makers.

7.3 It is intended that recruitment within the new structure will aim to secure additional capacity and capability in these skill areas by October 2022. Interim support will continue to be retained and utilised ahead of permanent recruitment.

## **8 Develop and implement a people, training and culture strategy**

8.1 The key actions against this objective are shown below.

<b>Objective: Develop and implement a people, training and culture strategy.</b>		
<b>Planned Actions</b>	<b>Responsibility</b>	<b>By When</b>
Plan and deliver a series of staff communication events including an all staff away day, monthly briefing sessions face-to face and virtual, and social events as allowed/required.	Strategic and Corporate Finance	On-going up to Sept 2022 and beyond
Develop a Departmental Succession Plan	Strategic and Corporate Finance	September 2022
Develop a cultural strategy and plan in line with wider organisational initiatives	Strategic and Corporate Finance	September 2022
Develop a Departmental Training Plan	Strategic and Corporate Finance	September 2022

Develop a productivity plan	Strategic and Corporate Finance	September 2022
Develop a non-monetary rewards scheme	Strategy and Corporate Finance	September 2022

- 8.2 The Council's Finance department developed a business plan in February 2022 in order to inform its activities during 202/23 and beyond as well as to respond to the requirements of Commissioners with regard to the capacity and capability of the department.
- 8.3 The business plan has a clear focus on its people, their development and the culture of the team. Work is to be undertaken across the whole Council on a range of these matters in coming months and whilst this may influence our approach. As a department we have however decided to push ahead with a number of proposals as our people are the most important resource we have and to delay will potentially impact our ability to recruit and retain quality people.
- 8.4 Work has begun to engage with the team through regular communications and team updates but recognise a much more structured and sustained effort is required to develop the team of the future. We recognise that the Departmental Restructure has meant uncertainty for the finance staff. This is now further progressed and has only identified one person at risk as a result of the job matching process. Once the restructure and recruitment processes are complete, we will share the business plan with the team at an event in September. In the interim the business plan is being reviewed in the light of the publication of the new Corporate Plan in May 2022 and will be subject to further refinement as the year progresses.
- 8.5 The various plans that underpin the business plan, for example, for succession planning, training and development, productivity, culture and growing our own have been drafted and will be put into place once the restructure is complete.

## 9 Develop and implement an asset management and investment strategy

9.1 The key actions against this objective are shown below.

Objective: Develop and implement an asset management and investment strategy.		
Planned Actions	Responsibility	By When
Deliver and implement an asset management disposal strategy	Strategic Finance with asset management	Principle agreed. Strategy end of June 22
Implement a Treasury Management and revised capital strategy	Strategic Finance	Done, to be refined again for March 2023
Close those Companies that are no longer required or fit for purpose by June 2022.	Strategic Finance	June 2022
Work with partners to obtain the best commercial position for the Council from reviewing the remaining Companies.	Strategic Finance	March 2023

9.2 The Council needs to sell up to £600 million of assets if it is to become financially viable. External advice has been procured to develop a strategy to complete this work. The various reports will make recommendations by the end of June 2022 as to the way forward. As at 30 June 2022 all of the 'dormant' companies owned by the Council have been closed.

9.3 For the 'active' companies numerous issues have been identified, and continue to be identified, in relation to financial planning, reporting and management; governance; scrutiny and oversight; operational effectiveness; commerciality; performance management and risk management. A review of each company is currently being undertaken to assess the ongoing viability and strategic requirement. Strategic options reviews are already well advanced for SUR, JEH and DISH.

9.4 Given the wide range of issues identified a Corporate Oversight Board has been established for SUR and significant progress has been made to GRE5's financial planning and reporting, oversight and critical governance arrangements including the appointment of new directors.

9.5 In 2022/23 work will continue to focus on addressing internal and external audit recommendations, exploring opportunities for asset disposals and the release of asset value, developing exit strategies, strengthening value for money and efficiency and minimising any liabilities.

## **10 Establish a Procurement and Contract Management function**

10.1 The key actions against this objective are shown below.

Objective: Establish a Procurement and Contract Management function		
Planned Actions	Responsibility	By When
Implementation of a contracts register and a process to manage and monitor contracts and obtain better value for money	Commercial	April 2022
Recruit and develop an In-House Procurement and contract management function by October 2022	Commercial	October 2022
Investigate and initiate the implementation of a contract management system that will enable better contract awareness and ensure contract review and renewals are more timely and therefore better value for money.	Commercial	June 2022 - March 2023

10.2 The structure of the commercial function, including procurement and contract management is included in the restructure of the finance and commercial department which went to Cabinet on 20<sup>th</sup> June. This will be implemented alongside actions in the functional capability assessment costed action plan. Specialist management consultancy is transitioning in to support the service during recruitment of a permanent team. It is planned that the new structure will be in place by October 2022.

10.3 Improvements to contract procedure rules were agreed by full council in November. The commercial team and HB law are now rolling out a training programme to all relevant staff on procurement processes and procedures including the revised contract procedures rules. This is to inform staff and embed improvements to governance in relation to procurement and contract management. Financial regulations are also being improved and these are expected to be completed by Autumn 2022.

10.4 A central register of all contracts is now in place and the project is into phase 2 where the register is being used to identify contracts that can be culled as they are no longer required or where there are opportunities to gain better value for money through changing the scope of contracts or combine contracts to reduce duplication.

## 11 Improve governance, counter fraud, internal audit, risk management and insurance

11.1 The key actions against this objective are shown below.

Objective: Improve governance, counter fraud, internal audit, risk management and insurance		
Planned Actions	Responsibility	By When
Recruit and develop an in-house Internal Audit Team	Interim Financial Adviser	October 2022
Develop an Insurance Strategy and implement a detailed action plan.	Interim Financial Adviser	March 2023
Deliver the Insurance Renewal Programme	Interim Financial Adviser	March 2023
Implement an Enterprise Risk Management Framework	Interim Financial Adviser	March 2023
Develop and implement a suitable approach to monitoring and reporting on the implementation of internal audit recommendations.	Interim Financial Adviser	April 2022
Review the Counter Fraud and Corruption Plans and develop regular reporting to the Audit and Corporate Governance Committee	Head of Counter Fraud and Anti-Corruption	October 2022

- 11.2 **Internal Audit** - The internal audit function is being brought back in house during 2022/23, and the structure is included in the finance and commercial services departmental restructure reported to the 20<sup>th</sup> June Cabinet meeting. Transitional arrangements are in place with the current suppliers RSM, whilst a permanent structure is recruited to, with a permanent team to be in place for the 2023/24 audit year. The internal audit plan for 2022/23 has been developed, in order that the s151 officer can meet his statutory responsibilities.
- 11.3 Robust tracking of internal audit actions has been implemented and progress continues to be made in closing down outstanding audit actions. The monitoring and reporting to the Audit and Corporate Governance Committee will continue and will also be refined during 2022/23 as it is linked to the recruitment of an in-house team.
- 11.4 **Insurance** – the interim Insurance and Risk lead delivered the renewal programme for the 2022/23 insurance policies at the end of March 2022 and continues to work with our brokers, insurers and departments to make sure the cover procured is adequate and covers the Council’s needs. The backlog of claims from 2022 has been resolved and the service is back on a sound footing.

- 11.5 The budget for 2022/23 and the levels of reserves and provisions for insurance claims were reviewed and additional funds made available to cover the latest estimates of need. The insurance contract was previously re-tendered on a seven-year cycle and is due for re-tender in 2024. During the autumn of 2022/23 plans will be put in place to ensure a comprehensive tender process is run that meets best practice requirements and obtains best value for money for the Council.
- 11.6 **Counter Fraud** - The counter fraud and investigations team is to become part of the Finance Department as part of the restructure that is taking place during 2022. The activity of this team will be reported on a more regular basis to the Audit and Corporate Governance Committee. It is expected that an annual report of the work of the team will be re-introduced from 2022/23.
- 11.7 **Risk management** – A revised risk management strategy will be presented to July Cabinet and the July Audit and Corporate Governance Committee. The corporate risk register is to be reviewed and discussed at Corporate Leadership Team monthly, and quarterly risk workshops will be held to ensure the council regularly considers key strategic risks. Work to improve the overall culture and approach to risk management is underway including staff training. Directorate risk registers have also been developed to ensure the council embeds risk management across service areas.

## **12 Improving Revenues and Benefits Services**

12.1 The service has taken actions to address the Directions, CIPFA report and weaknesses identified by the Head of Service. It has also developed an action plan to identify and implement changes and improvement to the service. This has been split into four key workstreams which will be delivered over the next 18 months to two years.

- People and process
- Technology
- Government Initiatives, and
- Performance.

12.2 Revenues and Benefits was one of the corporate functions identified as not effective in the DLUHC Governance review in October 2021. The Council was recommended to drive through improvements by implementing a rigorous improvement plan and investing additional resources. The functions associated with the oversight of collection of revenues and the distribution of benefits are one of the four areas specified as the responsibility of the DLUHC Commissioners in the Directions issued by the Secretary of State.

### **People and process**

12.3 During second half of 2021/22 the service undertook the following actions:

- stabilised resourcing across the service but identifying support needs, securing extensions to agency staff
- redefining and clarifying responsibilities of senior staff
- identified training needs and commenced training interventions
- re-tendered or renewed all expiring contracts including – print and mail, enforcement agent and NNDR administration
- identified additional resourcing needs and commenced recruitment to deal with key areas of failure
- assessed internal audit recommendations and reviewed relevant process and procedures
- produced draft debt recovery policy and reviewed write off process
- commenced work with Liberata to identify opportunities to improve NNDR administration

12.4 Progress on the key actions undertaken to date are shown below:

Objective <b>Improve Revenues, Benefits and Charges service - (People and Process)</b>	Target Date	Updates	RAG Status
Planned Actions	By When		
Recruit appropriate temporary and improvement resource to address identified process failures and data quality issues <ul style="list-style-type: none"> <li>Recovery data cleansing</li> </ul>	June 2022	2 of the 4 resources recruited in May, currently completed 488 of the initial 1,600 cases identified for review and cleansing to ensure cash allocation was correctly applied by Avarto and to balance what the enforcement agents are holding	Yellow
<ul style="list-style-type: none"> <li>Housing Benefit Overpayment collection</li> </ul>	June 2022	2 Appointments made May 2022, first officer started 20/6/22, second offer has been withdrawn and new recruitment to be undertaken	Green
<ul style="list-style-type: none"> <li>Council Tax Debt Recovery Team</li> </ul>	June 2022	Currently updating Job description and preparing recruitment advert	Yellow
<ul style="list-style-type: none"> <li>Project Management resource</li> </ul>	June 2022	Agreed extension to project manager who had been delivering Test and Trace Support payments	Green
Increase capacity in key support areas – Customer contacts	May / June 2022	On-going recruitment underway although difficult to retain staff – additional officers recruited and undergoing training	Yellow
Deliver a comprehensive training and development plan to existing staff	Sept 2022	Invitation for quotes requested for Benefit training modules sent May 2022 Council Tax training modules identified and being planned, indicative delivery dates 25/5 (Committals), 7/6 (Council Tax liability training)	Green
Identify and recruit to key posts to ensure stability of the service – Systems Support and control, training, and policy etc.	Sept 2022	Systems Control Manager tasked with recruitment to Policy and training post, Revenues Systems Support (1) and Benefits Systems Support post (1)	Yellow
Procure a suitable resilience solution to improve management of peaks of work and reduce	Sept 2022	Departmental Restructure will assist with resilience solution.	Yellow

the reliance on agency staff			
Review and restructure rents and leaseholder team to align with implementation of new housing System	November 2022	Currently dependant on progress of NES migration project. In the short-term resource is planned to move from Accounts receivable team to service and preparation of new procedures	
Completed recruitment and development of an In-house team whose costs are comparable with statistical neighbours	June 2023	Reliant on delivery of key ICT projects	
Review and renew key service support contracts that are due to expire to identify options which might offer better value for money going forward. Including <ul style="list-style-type: none"> <li>• Enforcement agents – Nov 22</li> <li>• NNDR administration – Jun 23</li> </ul>	June 2023	For enforcement agents, draft tender being developed prior to procurement. Awaiting appointment of procurement resource to assist	
Consider implementation of single view of debt for management of high value debtors	July 2023	On hold pending other project delivery, corporate debt policy drafted for presentation to cabinet	
Review and identify appropriate delivery model for the service, this will include continuing with the in-house model, outsourcing of elements and options for shared services	March 2024	Planned review during 2023/24 once service has been stabilised and service improvements have been put in place.	

## Revenues and Benefits Technology

12.5 In October 2021 the Council appointed an experienced Head of Service to take action to address these weaknesses and to identify other areas for improvement. Over the intervening period further issues have been identified including:

- the core system (Academy) platform being unsupported from Oct 2022/23.
- failure to deliver on key DWP initiatives – Verification of Earnings and Pensions (VEP) and Housing Benefit Award Accuracy (HBAA)
- poor data quality and incorrect cash allocation to recovery accounts
- reliance on agency staff for key roles within the service

- lack of training and development for staff
- weak and ineffective processes reducing capacity to drive collection from persistent non-payers
- inadequate service supplied to customers contacting the Council by phone
- limited use of technology to deliver efficiencies
- service performance is below that of comparator Councils.

12.6 Many of these issues also are impacting the other elements of the service including the collection of benefit overpayments and rent arrears. The key actions identified for the technology element.

12.7 Progress on the key actions undertaken to date are shown below:

Objective <b>Improve Revenues, Benefits and Charges service – (Technology)</b>		Updates	RAG Status
Planned Actions	By When		
Implement Single Persons Discount monitoring tool	July 2022	Business case signed off, Procurement Board sign off, GDPR and data security board considering compliance. Contract signed start date tbc	
Procure and implement robotic automation of key processes – VEP processing and UC change processing	Aug 2022	Business case signed off, Procurement report with procurement board. Awaiting Cabinet delegation on 17 <sup>th</sup> May. Draft contract being finalised, awaiting legal response	
Implement solution to auto capture email correspondence	Sep 2022	Potentially will utilise robotics for this	
Identify and implement further robotic automation in Council Tax and benefits	Oct 2022	See above	
Implement Cloud hosting solution for core system	Oct 2022	Delegated decision report written and submitted, awaiting agreement at 17/5 cabinet for delegation, procurement board report is in draft awaiting ICT comments. ECP business case to be written	
Introduce the use of proactive telephone, SMS and Email collection techniques	Oct 2022	On hold whilst other major ICT projects completed	
Increase in self service options (On hold)	March 2023	Placed on hold until the completion of the migration to Cloud and the bedding in of	

<p>until Server hosting completed) to include</p> <ul style="list-style-type: none"> <li>• Change of circumstances form</li> <li>• Discount and exemption applications</li> <li>• Back-office automation of these and existing form data</li> <li>• E-reminders and E-benefit notifications</li> </ul>		<p>SaaS. Service will undertake a review of options for forms and back-office automation – use of Jada or other suppliers and Robotics or use of Capita automation.</p>	
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### Government initiatives

12.8 At the same time as making these improvements the service has been asked to deliver some sizable additional projects by government

- Business Grants providing support to local businesses during the pandemic. This has included Omicron Hospitality and Leisure Grants (£0.5m), Additional Restrictions Grant (£1.4m)
- Household Support fund delivering support to vulnerable households across Slough to meet food and utility needs (£1.17m)
- Test and Trace Support payments for those forced too self-isolate and most recently manage the changes in the entitlement criteria brought about by changes in guidance. During its operation the service paid out over 1600 self-isolation awards.
- deliver Energy bill rebates to more than 49,000 households. Of these 26,000 claims will need to be processed from households that do not currently pay Council Tax by Direct Debit

12.9 The key actions identified for the Government initiatives element of the departmental workload are shown overleaf:

Objective <b>Improve Revenues, Benefits and Charges service – (Government initiatives)</b>		Updates	RAG Status
Planned Actions	By When		
Develop and implement CARF policy	May 2022	Policy written and submitted for decision at Cabinet on 17 <sup>th</sup> May 2022. Currently being implemented	
Review and update Household Support Fund to meet new requirements and agree responsibilities and budgets for payments	May 2022	Proposal agreed	
Write and seek agreement for the Discretionary Energy Bill Rebates	May / June 2022	Report and policy written to be presented at Cabinet of 20 <sup>th</sup> June (Done)	
Implement and test software solution for Energy bills	May 2022	COMPLETE	
Make appropriate changes to IVR to ensure calls are routed correctly/update web.	May 2022	COMPLETE (22,539 payments issued)	
Complete full end to end test	May 2022	COMPLETE	
Make payments to Direct Debit Payers (approx. 23,000)	Jun 2022	COMPLETE	
Invite applications from non- Direct Debit payers	Jun 2022	OPENED 16/6/22, letters issued to residents 29/30 – 6. 22	
Make payments for households entitled to discretionary award	Jun / Jul 2022	Subject to agreement of policy on 20 <sup>th</sup> June, planned for end of July 2022	
Auto credit Council tax accounts of those eligible households that do not make application for direct payment	Jul / Aug 2022	Planned for end of application window.	
Close scheme	Sep 2022		

## 12.10 Performance

12.11 The key actions identified for the Performance initiatives element are progressing as follows:

Objective <b>Improve Revenues, Benefits and Charges service – (Performance)</b>		Updates	RAG Status
Planned Actions	By When		
Agree a clear set of Key Performance Indicators that target performance above comparator Councils	June 2022	No progress as yet as focus on other key projects	Yellow
Create a performance culture within the service that includes performance management, accountability, and ownership	Sept 2022	To be tied in with Corporate Plan 2022-25 improvement actions	Green
Achieve recognition for performance and service improvement within the Sector	Oct 2023	No progress as yet as focus on other key projects	Green

## 13 Other Specific Issues

### Rent collection and arrears

13.1 Rent arrears relating to council tenancies, temporary accommodation and those in respect of tenants with James Elliman Homes have all increased significantly since 2019/20. There are a number of reasons for this:

13.2 Current council tenancies have seen three major issues impacting arrears:

- the introduction of Universal Credit and Covid. Before Universal Credit (UC) housing benefit (HB) was paid direct to the rent account, with the introduction of UC the money equivalent was paid monthly in arrears to the tenants for them to pay the rent. Most tenancies have now migrated from HB to UC with some still to complete in summer 2022. The effect is a potential loss of 4 weeks rent. Under Covid arrears spiked in June 2020 but the figures are now back to where they were at the start of the pandemic. Arrears in 2021/22 were £1.465m against rent collected of £35.481m. Percentage arrears are likely to remain static because the 2022 rent increase was greater than previous (inflation + 1%) and income is likely to be higher.
- **Temporary Licences:** the key issue is the increase in number of residents in temporary accommodation and thus the potential for arrears and associated technical issues. The main barrier to improving collection and arrears is that the Housing Team is running at 50% staffing levels so support for residents to complete Housing Benefit forms is limited and the

changes to accessibility makes supplying information to support a housing benefit application difficult. Many clients are very vulnerable (ex rough sleepers/ mental health issues/ lack of English as a first language) so struggle with access to facilities such as emails and scanning, without which it is difficult to complete applications in a timely manner. Arrears are currently £204K on rent collected of £3.2m. This may increase due to the increasing number of licences and until the council resolves access/support issues.

- **James Elliman Homes (JEH):** for housing benefit purposes JEH is treated as a private landlord so is paid via landlords portal, consequently all tenants on HB are paid 4 weekly in arrears. There are also issues with the service level agreement between the Council and JEH which are impacting on the councils ability to speed up recovery processes. Arrears in 2021/22 were £239k on £2.029m. There remains an urgent need to resolve Tenancy issues, if they are resolved arrears will be static, no rent increase so income likely to be static.

### **Commercial Leases and rent arrears**

13.3 Part of the review of the Council's property management arrangements undertaken by Avison Young has highlighted that the management of rent collection and management for the commercial property portfolio is disjointed with:

- Unclear responsibility for establishing the rent debit (which determine the rental due for each rental period)
- Unclear responsibility for monitoring rent collection and arrears
- Inaccurate rent posting which can impact on enforcement action

Work is now ongoing to improve the quality of management information to manage the commercial property portfolio to address the above issues.

13.5 The total arrears on commercial leases is £619k of which 3 debtors make up 50 per cent of the arrears and are reclaimable leaving an amount due of £311k.

### **Chalvey Extra Care Development Lease**

13.6 The Council had originally hoped to re-develop the site at Chalvey as an extra care facility, but the Council's plans have now changed in response to the s.114 Notice issued in July 2021 and the need to limit the capital programme to essential projects only and reduce future borrowing. Negotiations are ongoing with the landlord regarding the future of the lease.

### **Observatory House Business Case**

13.7 The Council purchased the Observatory House site with an initial view to providing quality office space that could be utilised for its own purposes but also sub-let as a source of income. The Council's plans have now changed in response to the s.114 Notice issued in July 2021 and the need to undertake a critical appraisal of all assets as part of a significant asset disposal programme. A review of the options for Observatory House is currently in

progress as part of this wider programme of work. There are risks attaching to this review not least the fact that additional rental income of £1.3m is budgeted for in the Place budget for 2022/23 and beyond for letting two floors of the building

## 14 **Implications of the Report**

### 14.1 Financial implications

14.1.1 These are set out throughout the report. Should the work being undertaken not be completed or be significantly delayed, the Council's financial position would quickly deteriorate and become untenable.

### 14.2 Legal implications

14.2.1 The Council has a number of statutory duties in relation to financial management. These include the following:

- Under Part I of the Local Government Act 1999, 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;
- Under section 31 of the Local Government Finance Act 1992, the requirement to set a balanced budget at the start of each financial year;
- Under section 28 of the Local Government Act 2003, a requirement to review actual expenditure against the approved budget on a regular basis throughout the year and, where it appears that there has been a deterioration in the financial position, a requirement to take such action as is necessary to deal with the situation;
- Under The Accounts and Audit Regulations 2015, a requirement to maintain adequate systems of internal control.

14.2.2 The Council's Constitution, which is based on the requirements of the Local Government Act 2003, requires that decisions in relation to financial management must be taken at specific levels within the organisation, as follows:

- Full Council is responsible for approving the policy and budget setting framework at the start of each financial year. This includes approval of Council Tax increases, revenue and capital budgets, Treasury Management Strategies and capital investment plans.
- Cabinet is then responsible for determining how and when expenditure will be incurred, and what levels of service are provided, so long as this is in accordance with the overall budget framework.
- Part 3 of the Constitution also includes a Scheme of Delegation whereby some decisions can be delegated to individual officers or to senior officers acting as a group.

### 14.3 Risk management implications

14.3.1 There are a range of risks associated with this work. These risks and the mitigations put in place to manage them are set out in Appendix 2. Some of these mitigating actions are already in place, others will take time to develop and embed. This risk assessment will continue to be developed and the position continuously assessed, with regular reporting to members as part of these progress reports.

### 14.4 Environmental implications

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

### 14.5 Equality implications

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

### 14.6 Procurement implications

14.6.1 The proposed asset disposal programme, implementation of the Council's procurement strategy and maintenance or improvements to financial systems will all require the assistance of external specialists who will provide additional skills and capacity not currently available in-house.

14.6.2 Any support obtained from external support consultants will be secured in compliance with the Public Contracts Regulations 2015, Council procurement policies, and within approved budget spending limits.

### 14.7 Workforce implications

14.7.1 There are workforce implications associated with the restructure of the department which are being managed with HR support. Possible future changes to the staffing structures within Finance functions referred to in this report are subject to future Cabinet reports which will fully consider workforce implications.

### 14.8 Property implications

14.8.1 The asset disposal programme referred to in section 8 of this report will directly impact on the Council's property holdings. Full details will be provided via six-monthly progress reports to Cabinet.

### Risk management

- There are a range of risks associated with this report. Risk identified to date have been listed below, together with the mitigations put in place to manage these risks down to acceptable levels. Some of these mitigations are already in place, others will take time to implement and embed. All risks and mitigations will change and develop over time and the current position will need to be continuously assessed. The RAG rating after mitigation is not time related ie as has been previously advised this while process will take circa 4 years.

Risk	RAG Before Mitigation	Mitigation	RAG After Mitigation
DLUHC/CIPFA/Grant Thornton/ Commissioners may not have confidence that the Council can address all the matters to the quality and in the time needed	Red	Recruitment of new finance team in progress Employment of temporary additional resource Creation of appropriate permanent finance structure External review comments on the newly instigated finance service This also requires considerable input from across the whole Council	Red
Accounts not completed	Red	Employment of national experts Creation of robust project plan as developed and successfully used elsewhere Utilisation of proven whole team methodology On-going engagement with external audit Extensive training	Green
Budget may not be brought into balance	Red	On-going communication with DLUHC regarding capitalisation directions Development or more rigorous processes and timelines Continuous weekly meetings at all levels – officers and Members from July Proposal for asset sale process at a level that will have a material impact on borrowing levels in the longer term Cleansing of all budgets over the coming 18 months Major reductions in the capital programme Agreement from all involved that all matters have to be considered  The Council is awaiting reviews of the SCF business plan which is currently having a material impact on the 2023/24 budget proposals.	Red
2022/23 Budget may not balance	Red	The Council is also currently facing the risk of a 2022/23 in year overspend. This will be firmed up as at 30 June when we will have the 21/22 outturn and the first quarters monitoring and thus at that stage the RAG rating may change	Red
Weaknesses in Council's strategic use of companies, governance, management, financial reporting and performance management continue	Red	Holistic reviews of all companies planned and in some cases underway Some issues already being addressed through Cabinet and Council. (Others will take place over the coming 18 months)	Green
Internal Audit reviews not actioned or consider the holistic requirements of the Council	Red	Proactive management of internal audit recommendations is now taking place and chasing down of responses to and implementation of actions. Discussions have been had with Internal about the balance of their reports in the context of the council's current position and extensive change agenda.	Green
Systems continue to fall behind the latest version, development work is not taken forward and	Red	Structure, resources and practices are under review and will be analysed, reviewed and assessed to address the issues	Amber

priorities are not identified or resourced		ICT restructure is being prepared and will greatly impact on this when in place	
Finance Team reverts back to being under resourced and under skilled	Red	Restructure programme well advanced for October completion Current team of interims are secured for the short to medium term Skills transfer takes place which is already underway Training is developed which is underway Additional required temporary and permanent resources are identified and secured The residual risk is securing a permanent team which makes the risk Amber at this stage	Amber
Poor financial management practises continue  New practices are not embedded	Red	Range of new processes introduced on a phased basis Officers trained in the new approaches  This depends upon officers throughout the Council fully engaging with the rigours of budget management	Amber

## Response to CIPFA review

No.	Recommendation	Action taken	Responsible officer	End Date
<b>Strengthening Financial Sustainability</b>				
<b>A On future sustainability: Establish a detailed plan to close its short and long-term budget gap</b>				
1	1. The S151 Officer present their plan for the steps that they need to take to rebalance the budget to Council in October and seek Council approval for the Plan.	Plans were taken to Council in October 2021. Plans approved. Budget for 2022-23 approved.	S Mair	Complete for short term  Work continues for the longer term
2	The Council produces an outline plan to close its identified budget gap for 2022-23 (before taking account of additional Section 114 liabilities) by November 2021.	A second s114 report was not necessary and a balanced budget has been set for 2022-23 with the support of a £307m capitalisation direction from DLUHC.  The budget is subject to a number of key deliverables which will inform the deliverability and potential need for future s114 reports.	S Mair/EDs	Complete
3	The Council produces a longer-term outline plan for closing the MTFs budget gap by December 2021.	Outline Medium Term Financial Plan completed in late 2021 as part of submission of capitalisation direction to DLUHC in February 2022 and as support for 2022-23 budget approval.	S Mair/EDs	January 2022 Complete
4	The Council produces detailed delivery plans for savings required over the MTFs by May 2022.	Costed savings action plans have been produced for the 2022-23 budget and proposals are now	S Mair/EDs	May 2022

		being prepared for the 2023-24 budget which will be refined through to September 2022.  The process beyond 2023/24 will be based on a zero basing of the Council's budget		Partially complete  ZBB will take through to October 2023
<b>B On future sustainability: Establish a high-level risk register</b>				
5	The Council reviews the existing risk register to identify the high-level risks facing the organisation and assigns a senior risk owner to each risk	The Council's risk register is continually reviewed by Corporate Leadership Team, the officer Risk and Audit board and Audit and Corporate Governance Committee. A senior risk owner is assigned to each risk and includes assessment of strategic risk.	S Mair/EDs	Complete
<b>C On Commercial activities and borrowing: Set limits on future borrowing and capital spending</b>				
6	The Council sets very tight limits for future borrowing to enable it to better manage the subsequent revenue cost of repaying such debts.	The Capital Programme has been scaled back to a minimum and thus tight limits have been set on future borrowing reflected in the Capitalisation Direction submission to DLUHC.	S Mair/EDs	March 2022 Complete
7	The Council restricts investment in its capital programme to essential schemes as identified above.	The Capital Programme review has focussed on only retaining schemes where there is a health and safety or legal obligation.	S Mair/EDs	March 2022 Complete
<b>D On commercial activities and borrowing: Gain increased assurance concerning the potential scale of past and future liabilities.</b>				
8	The Council further reviews the risk-based approach to identifying liabilities to enable it to improve its	Since the CIPFA report was drafted work has been undertaken to	S Mair	July 2021

	assurance around the size and scale of current and future liabilities before it sets the budget for 2022-23.	<p>improve the Council's understanding of the scale of liabilities – past, current and future. This covers not only capital finance but also provisions eg GRE 5 and others. This will continue to be developed during 2022/23</p> <p>Budget set for 2022-23 including estimate of £307m capitalisation direction from DLUHC to support current year and previous errors, and estimated liabilities.</p>		<p>November 2021 March 2022</p> <p>Partially complete</p>
<b>E On Assets: Develop an outline disposal plan</b>				
9	The Council considers at an early stage its approach to asset disposals and how it will secure the necessary expertise that it needs to achieve best value.	<p>The Council approved sale of up to £600m of assets and the procurement of external advisors in September to assist with the asset disposal programme.</p> <p>Avison Young now appointed and are expecting to produce a detailed disposal strategy with estimated sale proceeds and timeframes by 31 July 2022.</p> <p>Local Partnerships Ltd have been engaged to provide options for disposing of James Elliman Homes Ltd.</p> <p>Montague Evans commissioned for options for SUR LLP to explore sale of sites to Homes England.</p>	S Mair/R West	On Track
<b>Strengthening Financial Governance and Oversight</b>				

<b>F Raise Member awareness of the scale of the financial challenge and its implication</b>				
10	Mandatory briefings are provided to all Members on the Council's financial challenge.	Financial briefings provided weekly by s.151 officer and to each Full Council meeting.  Training session on Public Sector Finance delivered to Members on Thursday 14 April 2022 to be followed by a series of future training briefings.	S Mair	Continuous  On Track
11	Specific further training is provided to members of the Audit Committee to raise further awareness of their governance role and that this training is repeated as part of the induction process for all new members when they join.	Programme of member training being developed in conjunction with the Monitoring Officer  Briefing programme and dates being finalised post-election to assess if any changes that need factoring into future sessions. Initial programme agreed at Audit and Corporate Governance Committee in January 2022	S Mair/A Wakefield	Start December 2021  On Track
<b>G Address immediate Financial Governance risks</b>				
12	The Council restores key controls within its Financial Management System as set out above.	Work is in progress to re-align access permissions within Agresso to match the current staffing structure.	S Mair	March 2022  Complete
	The Council reviews financial regulations in the medium term	Complete review underway and includes alignment with the recently updated (June 2021) Scheme of Delegation.  First draft produced subject to wider governance review and seeking comments by July 2022.	S Mair	September 2022 revised completion target  On Track

13	The Council sets out clearly the financial responsibilities of all new staff, interim and agency staff when they commence work with the Council.	The updated Financial Regulations will cover this. Additional briefings required for interim and current staff	S Mair	September 2022 revised completion target as per above  On Track
<b>H Prepare an Annual Governance Statement for 2020-21</b>				
14	An Updated Annual Governance Statement and Action Plan should be prepared for consideration by the Audit and Governance Committee by December 2021.	Work in ongoing and a first draft AGS for 2020/21 expected in early November.  Draft AGS completed and reviewed by CLT. Document will need finalising and further review once the 2020-21 financial statements are completed in Autumn 2022.	S Mair	December 2021  Complete subject to finalisation of accounts.
<b>I Undertake an independent review of the Procurement Function</b>				
15	The Council commission a separate independent review of the procurement function, rather than including this within the annual internal audit plan.	An initial review of the Procurement Function was undertaken by the Local Government Association in February 2022.  A new team is included in the finance and commercial restructure which has been launch in June and will be recruited as the service is taken back in-house. Once the team has been established (estimated by October 2022), an internal audit review will be commissioned. If RSM are still the Council's internal auditors then	S Mair	June 2022  Revised date  Complete

		a separate review will be commissioned, if not, the new internal audit team will undertake a review before q2 2023.		
<b>J Review the provision of Internal Audit</b>				
16	The Council commissions an independent review of the internal audit arrangements to ensure that they are effective and provide sufficient coverage to give it the assurance that it needs during this period of financial challenge.	<p>Internal audit options appraisal paper was presented to Audit and Corporate Governance Committee on 9<sup>th</sup> December 2021. This included fully costed plans to establish a best practice function. The council has entered into a one year contract with RSM consulting, during this time a transition will be made to an in house team, and the 2022/23 internal audit plan will be delivered.</p> <p>Recruitment to take place before 1 October 2022 of in-house IA team as part of wider re-structure of the department.</p> <p>The 2023-24 plan will be delivered by an in-house team subject to recruitment.</p>	S Mair	<p>March 2023</p> <p>Complete and Recruitment on track</p>
<b>K Enhance Financial Capacity</b>				
17	The S.151 Officer reviews the level of resource required to deliver his plan for restoring sound financial management	<p>Business plan agreed for additional resource through to March 2023 and beyond.</p> <p>Permanent structure developed based on good practice elsewhere. Consultation on new structure expected to take place in May 2022</p>	S Mair	<p>30 September 2022</p> <p>Complete</p>

		with recruitment completed by 30 September 2022. Wider business plan for Finance developed and shared with Commissioners		
18	The organisation makes further provision to enhance the capacity within the finance team including exploring other delivery avenues e.g. shared services	Restructure including required capacity developed and costed plan being implemented subject to consultation in May 2022.  If recruitment in the wider marketplace is unsuccessful then other options will be considered. Note: previous shared services within Berkshire have not succeeded.	S Mair	October 2022  On Track
19	The Council commissions an independent review to demonstrate that financial procedures and processes are robust by May 2023.	O/S – not yet due  This will be commissioned in October 2022		March 2023  On Track
<b>L Stabilise the Finance Leadership Team</b>				
20	The S.151 officer immediately commences the appointment process for a permanent Deputy S151 Officer.	Appointment of interim deputy s.151 officer pending completion of the finance restructure	S Mair	April 2022 Complete
21	The Council seeks to negotiate the contract terms for the S151 officer and his team to extend the current notice period.	Complete and commitments extended to March 2023.	S Mair	Complete

## Response to DLUHC Governance Review

No.	Governance recommendations	P=Priority action M=Medium term action	Action Taken	Responsible Officer	Status / Next Steps
1	2. Undertake a pragmatic, rapid risk assessment of the functional capability of each service area identifying the gaps in capacity and capability. This process needs to be owned by the organisation. Junior managers and front-line colleagues should be involved in contributing to the way forward.	<b>P</b>	<p>Finance Action Plan has been developed reflecting the risks facing the Finance function and is being reviewed monthly</p> <p>Detailed High Level Service Assessment and Functional Capability Assessments completed by end of February 2022.</p> <p>Fully costed action plans being completed by 31 May 2022.</p>	S Mair	Continuous  On Track
2	3. Prioritise the service areas to be addressed and determine a rigorous plan and allocate resource accordingly. Examples of service areas to be prioritised would be finance, revenue and benefits, IT and democratic services, including scrutiny.	<b>P</b>	<p>Finance Action Plan has been developed and is being reviewed monthly this includes all areas of finance and revenues and benefits.</p> <p>Detailed High Level Service Assessment and Functional Capability Assessments were</p>	S Mair	Continuous  On Track

			completed by end of February 2022.  Fully costed action plans completed by 31 May 2022 including for IT and Democratic Services including scrutiny.		
3	5. With regard to recommendations 1 to 4, prioritise permanent recruitment and/or longer-term contract status of all relevant interim positions. In particular, the interim s.151 officer, DPH consultant and the Director of Children's Services. Confirming interim positions at junior manager and front-line level is as important. The CIPFA report refers to appointing a permanent Deputy section 151 officer.	<b>P</b>	Interim Deputy S151 appointed  Complete and commitments extended to all finance posts and IT until March 2023.	S Mair	April 2022  Complete
4	6. Identify permanent statutory post holders within the new scheme of delegation.	<b>P</b>	The Financial Regulations are currently being reviewed to align with the Scheme of Delegation revised in July 2021.  A revised set of Financial Regulations has been produced and will be finalised by September 2022.	S Mair	September 2022 revised date  On Track
5	11 Establish a 'management action' tracking system for internal audit actions which is fit for purpose. Emphasise to all staff the importance of internal audit and that identified actions can be used for continuous improvement within service areas.	<b>P</b>	Finance & Commercial Services team implemented an IA Management Action Tracker which is being monitored weekly. Significant progress has been made in closing down management actions from	S Mair	Complete

			<p>previous financial years through frequent liaison with action owners, executive directors and associate directors.</p> <p>Further work is on-going to collate the identified actions into a cross cutting set of recommendations that can be used to generate continuous improvement activities.</p>		
6	12 Address each unique management action from internal audit reports and use them as indicators of possible service failure. Prioritise, target and remediate each action as a matter of urgency. Include actions identified in the six draft audits completed in year to date.	<b>P</b>	Actions from finalised audit reports are incorporated into the IA Management Action Tracker. Council has recruited a specific resource to monitor implementation of IA recommendations and the corporate and departmental risk registers.	S Mair	Continuous On Track
7	13 Conduct an independent review of the internal audit contract and establish an 'in house' function which will enable the internal audit team to work alongside colleagues, whilst retaining their independence, as is practice in many councils.	<b>M</b>	Structure of internal audit options appraisal paper was presented to Audit and Corporate Governance Committee on 9th December 2021. Further review took place at the Audit and Corporate Governance meeting on 1 March 2022 and the paper was approved including arrangements for extending the current contract to ensure adequate IA cover in 2022-23.	S Mair	Complete

			<p>This contract extension was completed on 14 April 2022.</p> <p>The recruitment of a new in-house internal audit team is happening alongside the Finance Department Restructure scheduled to be complete by 30 September 2022. A report is going to the 17 May Cabinet outlining the restructure and the consultation process.</p>		
8	14 Independently review the procurement and contract management function and develop an 'in house' team.	<b>M</b>	<p>Structure of the commercial function, including procurement and contract management has been reviewed and a new structure proposed and costed and is in the restructure of the finance and commercial department.</p> <p>A tender to procure specialist management consultancy to plug resource gaps during the transition of a permanent team has been completed, and this resource will also be used to support future complex procurement projects where the resource is not held in house.</p>	S Mair	<p>June 2022</p> <p>Complete</p>
9	15 Continue to understand and identify risk more generally and review the council strategic risk register to make it fit for purpose	<b>P</b>	<p>Training for officers has been rolled out to officers (at ED, AD and GM levels). A risk</p>	S Mair/EDs	Complete

			<p>management module has been loaded onto the council's online training system which was launched in Q1 2022.</p> <p>The Council's risk register is continually reviewed by Corporate Leadership Team, the officer Risk and Audit board and Audit and Corporate Governance Committee. A senior risk owner is assigned to each risk and includes assessment of strategic risk.</p>		
10	16 Improve proper decision making at appropriate governance levels and relevant meetings. For example, the annual review of the Council Tax Reduction scheme at full council and the comprehensive list of annual contracts to Cabinet.	<b>P</b>	An improved report went May Cabinet setting out the value, term and purpose of all contracts greater than £180k in value.	EDs	Continuous On Track
	<b>5. Culture and Leadership recommendations</b>				
11	19. Prepare an annual governance statement for 2020/21, the current 2019/20 statement does not have an action plan.	<b>P</b>	<p>2020/21 AGS prepared and reviewed by CLT during April 2022.</p> <p>Addendums to the 2018/19 and 2019/20 also written and reviewed by CLT in April 2022.</p> <p>Various AGS action plans updated for the risks which have transpired since August 2020.</p>	S Mair	December 2020 Completed

<b>6. Financial governance recommendations</b>					
12	21 Produce an overarching corporate action plan in response to the section 114 notice which indicates the way to financial sustainability	<b>P</b>	<p>Recovery and renewal plan approved on the 23<sup>rd</sup> September 2021. Finance Action Plan drafted in response to s.114 Notice, which is updated and reported to all Council meetings.</p> <p>Financial plans updated for the Budget 2022-23 reports including the completion of capitalisation direction to DLUHC and development of medium-term financial plans setting out key risks in the s 25 report.</p> <p>Outline Medium Term Financial completed in May 2022.</p>	S Mair	<p>Continuous</p> <p>On Track</p>
13	22 Ensure the recommendations in the concurrent CIPFA report are carried out.	<b>P</b>	Ongoing – see above	S. Mair	On Track
14	23 Develop the good awareness raising initiated by the interim s.151 officer into a mandatory financial and budget training module for all councillors and budget holders.	<b>M</b>	Included in the programme of training for Members and budget holders reviewed by Audit and Corporate Governance Committee in January 2022. First training session to be delivered on 14 April on Local Government Finances.	S Mair	<p>December 2021</p> <p>Continuous as training programme develops</p> <p>On Track</p>

15	24 Ensure that the excellent work of the interim s.151 and his team (in terms of action planning around the external reports) has corporate ownership and that finance is not merely regarded as a technical activity, but as an enabling function to help council wide continuous improvement.	<b>M</b>	Ongoing via weekly finance update briefings to Members, Commissioners and CLT and reinforced through the approach to business cases.	EDs	Continuous On Track
16	25 Respond corporately and systematically (not just in a financial sense) to the ongoing reviews of council owned companies to ensure immediate, effective governance of these companies.	<b>M</b>	Established a Corporate Oversight Board for SUR which has been extended to cover all the Council's companies, except Slough Children First Ltd.  Dormant companies closed down by June 2022.  Options review of each of the active companies is currently under review.	S Mair/R West	Continuous On Track
17	26 The interim s.151 officer has requested the current capital programme be cut by 50% and this has been accepted. It would be prudent to consider a capital programme of zero except for government grant allocations and health and safety issues, for example. This would be until past liabilities have been fully understood and there is a plan for financial sustainability within the full response to the section 114 notice.	<b>P</b>	The capital programme for 2021/22 has been cut by more than 50% and the requirement for new borrowing cut from £68m to £12m, but remains under review.  This is reflected in the 2022-23 Budget approved by Council on 10 March 2022.	S Mair	March 2022  Complete
18	27 Carefully manage the potential reduction from £6m to the return on investments as a significant risk. The disposal strategy should be completed. This might take some time, which	<b>M</b>	The asset disposal programme will take into account reductions in investment income streams. However the £6m return is a	S Mair/R West	Continuous On Track

	could delay the amount of revenue available to the council.		gross return and did not take into account costs of borrowing or operating costs. Therefore expect this to be minimal impact.		
<b>7. Services recommendations</b>					
19	29 Address recommendations 1,2 and 3, which will help improve performance in other service areas, particularly revenues and benefits, IT, finance and democratic services.	<b>P</b>	See above	S Mair	On Track
<b>8 Capacity/capability recommendation</b>					
20	30 Significantly reduce the reliance on external consultancy and external contracts which deliver 'internal' services. Build and use internal capacity.	<b>M</b>	<p>Finance restructure in place and consultation expected to complete in June 2022. Recruitment expecting to be completed by October 2022.</p> <p>Other service areas also subject to significant restructure with a view to appointing permanent staff.</p> <p>Alternative options to be considered if recruitment is unsuccessful.</p>	EDs	<p>Imminent</p> <p>On Track</p>

## Response to Grant Thornton's recommendations

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
1	<p>Agreed savings are not supported by robust savings plans and as such are at risk of not delivering as anticipated.</p> <p>Medium</p>	<p>The Council should:</p> <ul style="list-style-type: none"> <li>• Ensure that savings are supported by robust savings plans and business cases</li> <li>• Strengthen arrangements by introducing a corporate function, which could assess the likelihood of delivery, the robustness of proposed savings and their supporting plans as well as monitor delivery.</li> </ul>	<p>The Council has recently undertaken a number of actions that will address this and related issues</p> <p>The Council amended its then officer Strategic Finance Board (SFB) chaired by the Chief Executive to ensure that the then Executive Board was fully aware of all pertinent financial matters within the Council and gained a holistic understanding of the Council's finances. This Board received papers on financial standards, the accounts, the budgets, and other matters</p> <p>As part of this the Council has:</p> <ul style="list-style-type: none"> <li>• Revised its revenue business case and process to ensure</li> </ul>	S Mair	<p>Agreed for council services not yet for SCF</p> <p>Agreed for council services not yet for SCF</p> <p>Design and implementation of the ZBB process will start from June 2022</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>that the business case focuses on the case for change, value for money and affordability before moving into the technicalities of procurement etc. Thus, assisting in ensuring that the Council's base budget is as robust as it can be and hence helping to provide a more informed base from which to generate any necessary savings</p> <ul style="list-style-type: none"> <li>• Related to savings, the Council has a separate business case for savings which has been supplemented by a Saving Action Plan to assist in the verification and tracking of saving plans going forward</li> </ul>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<ul style="list-style-type: none"><li data-bbox="1070 240 1406 1412">• The finance service led the process for the budget for 2022/23 and the correction of the 2021/22 budget and worked with service colleagues to review and challenge all budgeted and future savings, monitor delivery, identify pressures and seek from colleagues' mitigations as necessary. It also revised the equality impact documentation. Going forward a further revised process will be established that will bring into the assessment of savings plans colleagues from other disciplines such as legal, HR, ICT etc – all working closely with service officers</li></ul>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<ul style="list-style-type: none"> <li>• Supplementing this the Council revised its officer budget process to accelerate the timeline for production of the budget to allow for full engagement and scrutiny by Members in all their roles and likewise for full consultation and communication with other stakeholders</li> <li>• The design of the budget process will continue to develop through such as the introduction of Zero-Based Budgeting for the financial year 2024/25. Embedding this and the new standards will take some considerable time</li> </ul>		
2	We consider there is scope to ensure that the	The governance arrangements could be	A thorough review and redraft against the CIPFA	S Mair	On Track

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	Annual Governance Statement (AGS) more clearly sets out the processes and procedures to enable the Council to carry out its functions effectively. Medium	<p>improved by developing the AGS and introducing:</p> <ul style="list-style-type: none"> <li>• Assessment of the effectiveness of the framework, it should be more than a description of what is in place</li> <li>• How the Council is defining outcomes in terms of sustainable economic, social, and environmental benefits</li> <li>• An action plan, that brings together and addresses all the significant issues faced by the Council</li> <li>• A formal mechanism that monitors and assesses the progress of the issues and recommendations raised in the AGS throughout the year.</li> </ul>	Solace framework has been completed for all years 2018/19 to 2020/21. CLT have reviewed and commented on all three AGS's and these comments have been incorporated into the revised documents.		<p>Embed processes to ensure that future versions of the AGS are completed in accordance with the CIPFA Solace Framework.</p> <p>A new process will be implemented during the Autumn of 2022 for completion of the 2022/23 AGS.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
3	<p>The Council consolidates a number of group entities into its financial statements; however, the accounting year ends are not all consistent with the Council, being 31 March, which adds additional complexity and consolidation adjustments for the Group financial statements.</p> <p>Medium</p>	<p>To facilitate a smooth and efficient group accounts preparation, the Council should work with its group entities to align all accounting year ends to 31 March</p>	<p>The Council has reassessed all of its' corporate interests and investments against Group accounting requirements. The Council has interests in 11 companies (9 subsidiaries, 1 joint venture and 1 associate). The only company with a different year-end to the Council is the joint venture, SUR LLP, with a 31 December year-end. The Council's interest in SUR is that of an associate which only requires consolidation on an equity basis (in contrast to line by line for subsidiaries). In view of this there is no benefit to be gained from changing the year-end of SUR LLP to 31 March</p>	S Mair	Complete
4	<p>Effective governance arrangements are not in place to ensure those charge with governance are able to make</p>	<p>Cabinet and scrutiny should be regularly updated on the performance of their key services and be able to challenge this performance</p>	<p>We have recently begun the preparation of holistic financial briefings for Officers and Members, and these will be further developed in the future.</p>	S Mair	<p>On Track</p> <p>Financial reporting will be further developed during 2022/23</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>decisions in an open and transparent way</p> <p>High</p>	<p>and have the opportunity to make informed decisions in formal committee meetings.</p>	<p>We have also as noted above revised the budget timeline which will allow for more informed Member consideration of the budget and have introduced quality guidance for finance and other officers on the production of budget monitoring reports and financial implications in reports.</p> <p>We will ensure that key service financial and performance information is included as a regular agenda item for Cabinet, Scrutiny and the Audit and Governance Committee.</p> <p>A training programme is in place for officers in relation to procurement and contract management processes and procedures, including the council's contract procedure rules.</p>		
5	<p>Effective contract management arrangements are not in</p>	<p>The Council should consider and ensure effective arrangements are</p>	<p>The Council has begun reviews of its management of third-party organisations</p>	S Mair	On Track

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>place to effectively manage statutory services that are delivered by third parties</p> <p>High</p>	<p>in place in the following areas:</p> <ul style="list-style-type: none"> <li data-bbox="645 352 1003 826">• Role of elected members, including Members of the Board, as possible shareholder committees or monitoring committees such as the Commercial Sub-Committee, as well as the role of scrutiny committees</li> <li data-bbox="645 831 1003 1422">• Elected members who are Board Directors of the SCST need to understand their responsibilities and duties to SCST and ensure they effectively manage any conflicts of interest. All company directors have a duty to act in the best interests of the company rather than in the best</li> </ul>	<p>and will be implementing a series of changes which will include among other matters appointing appropriate Senior Responsible Officers to ensure that companies meet their objectives, put in place new arrangements for holding companies to account, reviewing how the companies meet the Council's objectives, a review of the work undertaken by the companies, developing a clear approach to testing value for money etc.</p> <p>An extensive report has also been made to the Audit and Corporate Governance Committee</p>		<p>The ongoing reviews of the Companies will continue throughout 2022/23</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<p>interests of the body that has appointed the Director to the company (e.g., the Council)</p> <ul style="list-style-type: none"> <li data-bbox="645 459 1005 975">• Elected members committee functions, this should include those charged with governance who would have oversight of the effectiveness of the SCST Board in line with Council's strategic objectives and statutory duties as well as scrutiny</li> <li data-bbox="645 975 1005 1385">• The Council would benefit from applying consistent arrangements across the Council for dealing with all its third-party companies and ensure the role of the Commercial Sub-Committee is</li> </ul>			

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<p>effective and understood</p> <ul style="list-style-type: none"> <li>Those charged with Governance should receive updates and reports on a regular basis (quarterly as a minimum) to enable informed decision making.</li> </ul>			
6	<p>Effective governance arrangements are not in place to effectively manage statutory services that are delivered by third parties.</p> <p>High</p>	<ul style="list-style-type: none"> <li>The Council should introduce contract management to ensure services are delivered as planned and any mitigating actions can be taken in a timely manner</li> <li>The Council should consider using its internal audit service to gain assurance that its contract procedures are being effectively applied across all Directorates</li> </ul>	<p>The first recommendation is being dealt with as noted above.</p> <p>In respect of gaining assurance this will be undertaken in two ways – through internal audit as described and through reviews by the Finance and Commercial team. The S151 officer will engage an audit of the procurement arrangements</p>	<p>S Mair</p> <p>S Mair</p>	<p>On Track</p> <p>On Track</p> <p>Procure alternative internal audit of the procurement function – to be actioned by October 2022</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			independent of the Council's current provider RSM to avoid any conflict of interest		
7	<p><b>Quality of working papers and clarity of the audit trail</b></p> <p>As noted on page 13, the audit process was hampered by issues with the clarity of the audit trail including:</p> <ul style="list-style-type: none"> <li>• insufficient audit trail to support the movements in the cashflow statement</li> <li>• Lack of supporting audit trail for key notes in the accounts such as analysis of the income and expenditure by nature</li> </ul> <p>High</p>	<ul style="list-style-type: none"> <li>• Review the process used to produce the year end accounts and identify areas where further improvement needs to be made</li> <li>• Ensure that all disclosure have supporting working papers and there is a clear mapping between the general ledger and the financial statements</li> </ul>	<p>This is an area that the Council will seek to continuously improve. For the 2019/20 and 2020/21 accounts, the following improvements have been introduced:</p> <ul style="list-style-type: none"> <li>• Comprehensive accounts plan linked to the auditors required by client schedule. This has been communicated to all key stakeholders and includes a responsible officer for each task and separate deadlines for preparation and review</li> <li>• Standardised templates linked back to the Code have been prepared</li> </ul>	S Mair	<p>Complete</p> <p>Progress against the plan is being monitored on a regular basis and feedback sessions will be held with all key stakeholders once the project is completed in order identify areas that might require further improvement.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>for all notes. The templates also include a three-stage quality assurance process covering 1) preparation, 2) technical review and 3) sign off review</p> <ul style="list-style-type: none"> <li>• Improved communication through the project plan, including regular and early communication to all stakeholders.</li> <li>• A whole team approach has been instigated through the involvement of the whole finance service to bring greater resilience and resource to this key requirement.</li> <li>• Comprehensive training and development for finance staff</li> </ul>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			including how to prepare, and also regular reviews of, working papers that include evidence of the transactions in the ledger, an enhanced checklist of requirements, quality assurance review, links between the working papers and clear mapping to the ledger.		
8	<p><b>Review of financial statements</b></p> <p>A number of inconsistencies and disclosure omissions were identified during our review of the financial statements. This indicated a lack of internal critical review prior to the financial statements being presented for audit.</p>	<ul style="list-style-type: none"> <li>Develop a year end timetable for the production of the accounts which include sufficient time for management review</li> <li>Utilises the CIPFA checklist to ensure that disclosures are complete and produced in line with code requirements</li> </ul>	As above	S Mair	Complete As Above

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	High				
9	<p><b>Group Accounts</b></p> <p>The basis of preparation of the Council's Group accounts was unclear and the working papers did not provide a comprehensive group consolidation schedule setting out how the group accounts and consolidation adjustments had been determined.</p> <p>High</p>	<p>The Council should ensure it prepares a clear and comprehensive group consolidation schedule to support the preparation of its group accounts.</p>	<p>As above</p>	<p>S Mair</p>	<p>Complete</p> <p>As above</p>
10	<p><b>Bank reconciliation process</b></p> <p>As noted on page 19, our review of the bank reconciliation process identified that the process in place in 2018/19 was overly complex and made identification of</p>	<p>Perform a review of the bank reconciliation process to simplify the bank reconciliation process and remove all old and out of date reconciling items and ensure that amounts included in the reconciliation and the ledger are valid cash items.</p>	<p>Extensive work has been undertaken in this area</p>	<p>S Mair</p>	<p>Complete</p> <p>Processes are revised and improved and monthly reconciliations are being carried out as the review has been completed</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>reconciling items and their clearance difficult. There were also issues identified with the descriptions of reconciling balances within the balance.</p> <p>High</p>				
11	<p><b>Accounting treatments</b></p> <p>The loans made to JEH had not been accounted for in line with the Code requirements resulting in amendments to the valuation and disclosure in the final accounts.</p> <p>This was a new transaction in 2017/18 although it was not a material balance in the prior year and the accounting treatment had not been documented against Code requirements</p>	<p>Establish a process for significant transactions such as investments and loans, to be formally considered against the requirements of the Code and the consideration documented and reviewed before being applied.</p>	<p>A new process has been put in place to ensure that significant transactions are considered against the requirements of the Code.</p> <p>A separate review of transactions within the financial system that are above £3m will also be carried out to ensure that they are accounted for correctly.</p> <p>For 2019/20 and 2020/21 we will review all ledger transactions above £3m to ensure they are accounted for correctly.</p>	S Mair	<p>Complete</p> <p>Review all ledger transactions above £3m to ensure they are accounted for correctly.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>before inclusion in the financial statements.</p> <p>High</p>				
12	<p><b>Debtor and creditor reconciliations</b></p> <p>During our testing of the debtor and creditor balance there were issues with the client producing reconciled balances which should represent the year end debtor and creditor positions excluding in year movements. Our sample testing of debtors and creditors has not identified any material balances that are not supported.</p> <p>We have discussed this with management and confirmed that a process has been undertaken in 2020 to review debtor and creditor codes and cleared down items</p>	<ul style="list-style-type: none"> <li>• Perform review of the debtor and creditor account codes to ensure that balances are appropriate and valid and clear those that are not.</li> <li>• Establish a reconciliation process for all debtors and creditor accounts to ensure the balances are fully supported and valid debtors or creditors</li> </ul>	The systems review is in progress as is the preparation of the year end analysis.	S Mair	<p>On Track</p> <p>Ensure that processes are revised and improved and monthly reconciliations are carried out once the review has been completed</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>which are no longer valid balances.</p> <p>High</p>				
13	<p><b>Income and Debtors</b></p> <p>There is no review process over invoices issued before they were sent out to clients. The Council relies on customers to identify and inform them of any errors noted. However there is risk that if the invoice is undercharged and the customers may not raise error, and the Council may suffer a loss from undercharging.</p> <p>High</p>	<p>Review the internal processes over invoice raising to ensure there is sufficient review of invoices before they are sent to clients</p>	<p>As above</p>	<p><b>S MAIR</b></p>	<p>On Track</p>
14	<p><b>Declarations of interest</b></p> <p>Councillor and Senior Officer declaration forms are not dated. There is a risk that the</p>	<ul style="list-style-type: none"> <li>• Ensure that all forms are signed and dated as part of their standard procedures</li> </ul>	<p>The Council requires every entry to the members register of interests to be signed and dated, it is standard practice that this is always followed. In the past 12 months the Council</p>	<p><b>S MAIR</b></p>	<p>On Track</p> <p>Check responses against list of Members in office and Officers employed by the Council during the</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>declaration record is incomplete or insufficient as a result. The most recent forms for three Councillor declaration forms were signed, but not dated. Signing / dating a declaration form should be standard practice, as it could lead to forms being misfiled, or new interests not being declared in a timely manner.</p> <p>Senior Officers that were working for SBC through a contracting company are not required to complete a Declaration of Interests form.</p> <p>Interim staff are not required to complete the Registers of Interests and Gifts and Hospitality.</p> <p>High</p>	<ul style="list-style-type: none"> <li>Consider whether Officers, including interim staff, should complete declaration forms as they may be able to have a</li> </ul>	<p>has strengthened the process and a democratic services officer must always countersign each form received from a councillor to ensure completeness.</p> <p>Senior officers' declaration forms are not part of this process and are in fact part of the declaration process for all staff which uses an online HR process to gather the submissions.</p> <p>The Council has also implemented a new process for capturing related party transactions for Members and Chief Officers. Responses will be cross-checked against the records held by Companies House to ensure completeness.</p> <p>The Council has implemented a process by to ensure that any interim staff or those recruited through contracting companies are required to</p>	<p><b>S MAIR</b></p>	<p>financial year in question. Cross-check against the records held by Companies House to ensure completeness.</p> <p>Check responses against list of Members in office and Officers employed by the Council during the financial year in</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		significant influence on the council's high-level decisions.	<p>complete a declaration of interests form and where appropriate complete their Directorate gifts and hospitality register.</p> <p>The Council has also implemented a new process for capturing related party transactions for Members and Chief Officers. This will be completed electronically with responses documented as evidence. Responses will be cross-checked against the records held by Companies House to ensure completeness.</p>		question. Cross-check against the records held by Companies House to ensure completeness.
15	<p><b>Fixed asset register</b></p> <p>The client informed us of a number of properties which had not been removed / reclassified in the fixed asset register prior to the production of the year end financial statements.</p>	<ul style="list-style-type: none"> <li>Establish a process to perform an annual review of assets to ensure that all disposals and reclassifications are amended</li> <li>Establish an in-year process for capital</li> </ul>	Investigation into Council's asset register identified that there was a lack of in-house knowledge on how to use the Council's fixed asset register and a lack of guidance notes. Training on how to use the system has been provided to the relevant members of staff along with guidance notes	S Mair	<p>On Track</p> <p>Quarterly reconciliations to be carried out going forward as part of the capital monitoring process to ensure that asset movements and reclassifications are captured appropriately</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>We also identified material assets which had been fully depreciated and were held at net nil valued in the fixed asset register and accounts.</p> <p>High</p>	<p>movements to be notified on a timely basis to the finance team to ensure the fixed asset register is maintained accurately. This should be reconciled to the accounts as part of the year end closed own procedures</p>	<p>and video demonstrations saved in a central location to ensure resilience in the future.</p>		
16	<p><b>Capital accounting process</b></p> <p>The purchase of Thames Valley University had been accounted for using the stage payments as additions rather than the cost and a liability. This resulted in a material error in the current and prior year.</p> <p>High</p>	<p>Establish a process for reviewing and documenting the accounting treatment of significant transactions to ensure they are accounted for in line with the Code. This should be subject to internal review</p>	<p>Same as item 11 above</p>	<p>S Mair</p>	<p>Complete</p> <p>Same as item 11 above</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
17	<p><b>HRA valuation records</b></p> <p>Our testing identified inconsistencies in the accounting records between the categorisation of HRA properties held on the Capita Housing Rents system and the Council's fixed asset register. It is important that these two systems are reconciled on a regular basis to inform the Council's HRA valuation.</p> <p>High</p>	The Council should ensure that a regular reconciliation process is carried out between its Capita Housing Rents system and the Council's fixed asset register to ensure records are consistent and provide an accurate basis to inform the valuation of its HRA properties in the financial statements	The two systems have been fully reconciled for 2018/19 to 2020/21. Some minor discrepancies have been identified with adjustments required to fixed asset register and the 2018/19 statement of accounts.	S Mair	<p>Complete</p> <p>Quarterly reconciliations to be carried going forward as part of the capital monitoring process to ensure that asset movements and reclassifications are captured appropriately.</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
18	Finance capacity and skills	The Council should put in place robust arrangements for the production of the 2019/20 and 2020/21 financial statements which meet statutory requirements and international financial reporting		S Mair	Complete

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<p>standards. To achieve this the Council should:</p> <ul style="list-style-type: none"> <li>Ensure sufficient resources and specialist skills are available to support the accounts production</li> </ul>	<p>Gaps in the Council's own team skills and capacity have been addressed in the short term by the appointment of interim staff to provide additional capacity.</p> <p>The Council began formal consultation on a restructure for the Finance and Commercial Services department on 28 June 2022. The restructure proposals have been approved For consultation by the Cabinet, the Employment and Appeals Committee and CLT. The restructure including recruitment to a permanent team should be complete by November 2022.</p>	S Mair	<p>The restructure of the Finance and Commercial services Department began formal consultation on 28 June and will run to 27 July 2022. All current staff have been matched to posts within the new structure or alternative posts within the council. Recruitment to a permanent team is expected to be complete by November 2022.</p> <p>During 2022/3 interim resources will be utilised to continue the change agenda ser in train during 2021/22. Once the recruitment to permanent posts has been concluded then the position in</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> <li data-bbox="622 683 1093 938">Ensure the finance team has the skills and capacity to enable effective financial management arrangements and support the production of technically sound financial statements,</li> <li data-bbox="622 1166 1093 1420">Ensure finance officers are provided with additional training, to ensure all staff involved in the accounts production process have the necessary technical knowledge of the CIPFA Code</li> </ul>	<p data-bbox="1126 683 1485 863">Training programme was developed and rolled out to the whole finance team in October 2021.</p> <p data-bbox="1126 906 1462 1121">Individual training sessions will be arranged as and when necessary. External training will be brought in if necessary</p> <p data-bbox="1126 1166 1485 1420">As above. In addition, the CIPFA Code and other technical guidance documents have been acquired and made available to the whole finance team. The</p>	<p data-bbox="1507 683 1608 715">S Mair</p> <p data-bbox="1507 1166 1608 1198">S Mair</p>	<p data-bbox="1798 236 2110 639">relation to interim support will be reviewed, although this expected to reduce significantly during 2023/24 and beyond, although it is anticipated there will still be a need for interim support for some time to come.</p> <p data-bbox="1798 683 2110 975">The programme of training was completed by the end of November 2021.</p> <p data-bbox="1798 868 2110 975">Additional training will be provided as and when necessary.</p> <p data-bbox="1798 1166 1933 1198">As above</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> <li>Introduce appropriate project management skills to oversee the timely production of the financial statements and supporting working papers</li> </ul>	<p>Council also has access to technical advisors from CIPFA via its subscription to CIPFAs Finance Advisory network.</p> <p>Weekly meetings have been arranged with the core team to ensure timely production of accounts</p>		<p>Weekly meetings will continue until the accounts have been prepared.</p>
19.	Preparation of the financial statements	<p>The Council should develop a comprehensive project plan for the preparation of the accounts which ensures that:</p> <ul style="list-style-type: none"> <li>Entries in the accounts and supported by good quality working papers which are available at the start of the audit</li> <li>The financial statements and working papers have been subject to robust QA prior to approval by the s.151 officer</li> <li>There is clear ownership and accountability for tasks across</li> </ul>	<p>This is an area that the Council will seek to continuously improve. For the 2019/20 and 2020/21 accounts, the following improvements have been introduced:</p> <ul style="list-style-type: none"> <li>Comprehensive accounts plan linked to the auditors required by client schedule. This has been communicated to all key stakeholders and</li> </ul>	S Mair	<p>Complete</p> <p>Progress against the plan will be monitored on a regular basis and feedback sessions will be held with all key stakeholders once the project is completed in order identify areas that might require further improvement.</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<p>service areas to support the timely production of the financial statements</p>	<p>includes a responsible officer for each task and separate deadlines for preparation and review</p> <ul style="list-style-type: none"> <li>• Standardised templates linked back to the Code have been prepared for all notes. The templates also include a three-stage quality assurance process covering 1) preparation, 2) technical review and 3) sign off review</li> <li>• Improved communication through the project plan, including regular and early communication to all stakeholders.</li> </ul>		

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<ul style="list-style-type: none"> <li data-bbox="1182 279 1478 678">• A whole team approach has been instigated through the involvement of the whole finance service to bring greater resilience and resource to this key requirement.</li> <li data-bbox="1182 726 1478 1412">• Comprehensive training and development for finance staff including how to prepare, and also regular reviews of, working papers that include evidence of the transactions in the ledger, an enhanced checklist of requirements, quality assurance review, links between the</li> </ul>		

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			working papers and clear mapping to the ledger.		
20	Levels of usable reserves	<p>The Council should take urgent action to address its low levels of unearmarked and earmarked reserves through:</p> <ul style="list-style-type: none"> <li>Developing a clear, sustainable medium-term financial plan to significantly replenish reserves to a level which enable it to respond to any significant unexpected events or manage its position effectively where its savings programme are not fully achieved</li> </ul>	<p>The Council has begun and agreed at officer level, a robust process for continued review of its base budgets including savings proposals, pressures, mitigations, monitoring etc. This will all lead into an improved MTFS that will contain full detailed savings proposals backed up by appropriate plans and working papers.</p> <p>As a consequence of this work and as part of the budget process a risk analysis will be completed to inform by how much the reserves</p>	S Mair	<p>Complete</p> <p>An additional £1m per annum is planned to continuously increase the reserves</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>should be built up over the coming 5 years. This will lead to an increase in the savings target to finance the necessary increase in reserves which will be formalised as noted during the budget process.</p> <p>£20m has been built into the capitalisation direction to provide the Council with a base level of reserves</p>		
		<ul style="list-style-type: none"> <li>Reviewing its medium-term savings plans to ensure clear proposals are developed to achieve savings requirements in line with the MTFP and reserves strategy</li> </ul>	As above		
		<ul style="list-style-type: none"> <li>Ensuring agreed savings are owned across the Council by officers and lead members to ensure clear ownership and accountability for delivery</li> </ul>	<p>All departments have completed savings plans including equality impact assessments. These have been agreed by ED's, Members and other officers for 2022-23</p>		Continue to work with Departments and embed the newly designed process

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> <li>Ensuring it puts in place a clear and transparent savings monitoring and reporting process, in order to ensure that council departments are held to account for delivery of required savings</li> </ul>	<p>Embedding this improved process will take some considerable time</p> <p>This was completed to inform a fully engaged Scrutiny, stakeholder and Lead Members process during the 2022-23 budget process.</p> <p>The process for 2023-24 began during March 2022.</p>		<p>Continue to work with Departments and embed the newly designed process</p>
21	Financial governance. Monitoring and controls relating to group entities	The Council should review and implement effective financial governance and monitoring arrangements for its group relationships to mitigate exposure to additional financial risk.	The Council has begun reviews of its management of third-party organisations and will be implementing a series of changes which will include among other matters appointing appropriate Senior Responsible Officers to ensure that companies meet their objectives, put in place new arrangements for holding companies to account, reviewing how the companies meet the	S Mair	<p>On Track</p> <p>Reports to Audit and Corporate Governance Committee, as required</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			Council's objectives, a review of the work undertaken by the companies, developing a clear approach to testing value for money etc. This will include a clear separation of all financial transactions, a review of Council officers on all boards, a review of all financial performance information and actions for all boards and identification of any risks the Council is facing.		
22.	Addressing the S114 report	<p>The Council should put in place arrangements to address the issues raised by the S151 officer as set out in his section 114 report. In our view the Council should:</p> <ul style="list-style-type: none"> <li>Report progress against the action plan to full Council at every meeting</li> </ul>	<p>This has been done, and this report forms the latest version of this, with the exception of the budget Council and exceptional meetings of Council</p>	S Mair	<p>Complete</p> <p>This is a continuous schedule of work</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> <li>Support the S151 officer's root and branch review of all aspects of the Council's finances</li> </ul>	This work continues to expand as the magnitude of issues are identified and is reported as above		This is a continuous schedule of work
		<ul style="list-style-type: none"> <li>Invest significant extra resource in finance capacity, internal audit and risk management to ensure robust processes are brought into place across all of the Council's financial and budget management arrangements to meet statutory financial obligations.</li> </ul>	This has been done with the Council bringing in temporary skilled staff to identify and resolve current and historic issues, preparing a fit for purpose finance structure to take the Council forward on a permanent basis and continuing to develop and progress its reviews of the Council's finances		It is anticipated that the Council's permanent structure will be consulted on and approved from May/June 2022
23	Improving governance at the Council	<p>The Council should develop a comprehensive project plan for the improvement in governance arrangements:</p> <ul style="list-style-type: none"> <li>Commission/learn from any external governance review undertaken with regular reporting through the Audit Committee</li> </ul>		S Mair	Complete
		<ul style="list-style-type: none"> <li>Commission/learn from any external governance review undertaken with regular reporting through the Audit Committee</li> </ul>	There is extensive analysis and action against the external reviews undertaken and regular reporting to the Audit Committee		Complete for reviews received to date

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> <li>Strengthen Scrutiny and Audit Committee arrangements with external support to members</li> </ul>	<p>Training and development has commenced for the Committees through the Council's own interim finance team and by the LGA</p>		<p>Complete - Training has commenced and will continue</p>
		<ul style="list-style-type: none"> <li>Establish a separate Finance Committee to monitor financial performance on a monthly basis</li> </ul>	<p>The aim was to establish this committee to take effect in the financial year 2022/23 to review financial performance on a monthly basis.</p> <p>A separate Committee is no longer seen as being required as there is a strong focus on finance through the Overview and Scrutiny Committee. In addition, the Commissioners have introduced an Improvement Board and Finance Board which will provide monthly monitoring of finance, performance and risk.</p>		<p>Complete July 2022</p>

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**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	18 <sup>th</sup> July 2022
<b>SUBJECT:</b>	Risk Management Strategy
<b>PORTFOLIO:</b>	Cabinet Member for Financial Oversight & Council Assets – Councillor Anderson
<b>CHIEF OFFICER:</b>	Steven Mair – Executive Director Finance and Commercial (s151)
<b>CONTACT OFFICER:</b>	Clare Priest – Group Manager - Commercial Mike Thomas – Financial Advisor
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	No
<b>EXEMPT:</b>	No
<b>DECISION SUBJECT TO CALL IN:</b>	Yes
<b>APPENDICES:</b>	'A' - Risk Management Strategy

**1 Summary and Recommendation**

- 1.1 This report seeks approval for Slough Borough Council's proposed new Risk Management Strategy which is attached as Appendix A. The document sets out the Council's strategy and approach to the management of risk and demonstrates its intention to continue to develop the maturity of Enterprise Risk Management (ERM) across the organisation during 2022/23 and beyond to support the delivery of the Council's Strategic Priorities and Outcomes.

**Recommendations**

Cabinet is recommended to:

- approve Slough Borough Council's Risk Management Strategy for 2022/23, and
- note the key development activities to be undertaken during 2022/23 including risk management workshops with key stakeholders following the approval of the revised Corporate Plan
- Delegate authority to the Executive Director for Finance and Commercial, in consultation with the Cabinet Member for Financial Oversight & Council Assets, to make minor changes to the strategy, in particular to reflect any feedback from Audit and Corporate Governance Committee.

## Reason

- 1.2 Risk is inherent in all activities across the Council and risk management is an integral part of the Council's corporate governance arrangements. Managing risk improves the way we do business. It plays a key role in helping achieve our strategic objectives. It helps ensure decision making is better informed, precious resources are used efficiently and effectively and helps avoid unwelcome surprises. Good risk management is a key part of our everyday business.
- 1.3 A number of external reports have made a range of recommendations indicating the need to strengthen the Council's approach to risk management.
- 1.4 It is good practice to review and update the Council's risk management strategy on a regular basis.

## Commissioner Review

*"Effective risk management is essential for a local authority. The identification of risk, design of the actions to manage that risk and the monitoring and delivery of those actions is crucial to the effective running of the organisation. The Commissioners fully support this strategy."*

## 2 Report

### Introduction

- 2.1 Risk is a part of all our lives. Slough Borough Council deals with risk every day from managing its infrastructure, delivering its services, managing its supply chains, maintaining the safety and security of its staff and residents, and delivering on a wide range of projects including its corporate objectives. Risk can cause uncertainty in achieving business objectives but can also present opportunities.
- 2.2 The Council recognises that risk management is a journey and to be effective it must be characterised by a set of consistent principles, language, framework and processes. In order to achieve its strategic outcomes and objectives. The Council is committed to proactively managing its risks in a systematic way.
- 2.3 Slough Borough Council its Members and Corporate Leadership Team are being asked to confirm their agreement to the following cultural statements regarding risk and to acknowledge the requirements that the strategy sets of them in promoting good risk management:
  - Slough Borough Council promotes a transparent 'no surprises', 'no blame' culture where well managed risk taking is encouraged, and learning from the risk management experience is key to a healthy culture
  - councillors and managers will lead by example to encourage the right behaviours and values
  - risk management behaviours and practices will be embedded into all Council activities including those with partners, contractors and arms-length organisations such as the Children's Company.
- 2.4 The strategy sets out the Council's commitment to managing risk effectively across its business, and the standard of risk management expected across the organisation.

- 2.5 In order to maximise the effectiveness of our risk management arrangements we will ensure:
- an environment that will allow the effective management of risk to flourish
  - our people have the skills and knowledge they need to fulfil their risk management responsibilities; and
  - there is a commitment from the highest level to the consistent application of the agreed risk management approach across the organisation.
- 2.6 Effective risk management identifies what might go wrong, what the potential consequences could be, and how to stop the risk being realised, or its impact should the risk materialise. Our goal is to minimise the probability of unwelcomed events where we can, and reduce negative consequences of risk scenarios. This is achieved by developing mitigations and contingencies. Risk management also covers opportunities, defined as uncertain events where the positive impact of seizing the opportunity outweighs the status quo.
- 2.7 When implemented and maintained, the effective management of risk enables the organisation to:
- increase the likelihood of achieving its goals and delivering outcomes
  - improve the identification of opportunities and threats
  - improve governance, stakeholder confidence and trust
  - establish a reliable basis for decision making and planning
  - effectively allocate and use resources for risk treatment
  - improve organisational resilience.
- 2.8 It is the role of the Risk and Insurance Team within the Council to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisation to take control of the risks that threaten delivery. It is however everybody's responsibility to manage risk wherever they work in the organisation.
- 2.9 The work of the team will be directed to implement the achievement of the following risk management objectives:
- align the organisations culture with the risk management framework
  - integrate and embed the risk management framework across the organisation
  - enable the organisation to recognise and manage the risks it faces
  - Improve risk awareness so the Council is better placed to avoid threats and take advantage of opportunities
  - minimise the cost of risk
  - anticipate and respond to emerging risks, internal and external influences and a changing operating environment
  - implement a consistent method of measuring risk.
- 2.10 The implementation of the Risk Management Strategy will assist the Council to:
- reduce risks
  - enhance our procurement processes
  - improve effectiveness of partnerships including realisation of anticipated benefits
  - maximise opportunities
  - improve governance and stakeholder trust
  - support the delivery of the Council's Recovery Plan
- 2.11 The risk management strategy will be subject to annual review by the Cabinet.

### **3 Implications of the Recommendation**

#### **3.1 Financial implications**

3.2 This strategy is supported by the key elements of the Council's Constitution.

#### **3.3 Legal implications**

3.3.1 The Council's Policy Statement on Corporate Governance is contained in the Constitution and emphasises the importance of effective risk management. This is particularly relevant in relation to Principle F - Managing risks and performance through robust internal control and strong public financial management.

#### **3.4 Risk management implications**

3.4.1 This strategy sets out the Council's commitment to managing risk effectively across its business, and the standard of risk management expected across the organization.

#### **3.5 Environmental implications**

3.5.1 There are no specific environmental implications arising directly from this report.

#### **3.6 Equality implications**

3.6.1 There are no specific equality implications arising directly from this report, although risks relating to Equality and diversity issues should be managed through the application of this strategy.

#### **3.7 Procurement implications**

3.7.1 There are no specific procurement implications in relation to this report, although areas such as market risk etc should be managed through the application of this strategy.

#### **3.8 Workforce implications**

Staffing challenges have been identified via the Functional Capability Assessment Process as part of the council's Recovery Plan. This includes consideration of organisational capability, capacity and resilience. The restructure of the Finance and Commercial Team takes this into account and sufficient capacity is being built into the structure to ensure there is a team to lead and manage risk. In addition, the council will undertake a risk maturity self-assessment to enable us to identify development opportunities for our approach to risk management organisation-wide.

#### **3.9 Property implications**

3.9.1 There are no specific property implications in relation to this report although risks arising from the ownership of properties should be managed through the application of this strategy.

### **4 Background Papers**

None.

# **Risk Management Strategy**

**April 2022**

## Contents

- 1 Introduction
- 2 Policy Statement.
- 3 Risk Management Framework
- 4 Risk Appetite
- 5 Risk Maturity
- 6 Planning to achieve our objectives
- 7 Risk Management Process
- 8 Risk Monitoring and review
- 9 Recording and reporting
- 10 Risk Management – Escalation of risks
- 11 Roles, Responsibilities, Expectations
- 12 Integrating with the Control and Assurance Framework
- 13 Risk System
- 14 Guidance Education and Training
- 15 Quality Assurance and Review Procedures
- 16 Evaluating Success

## 1 Introduction

### What is a Risk?

Risk is a part of all our lives. Slough Borough Council deals with risk every day from managing its infrastructure, delivering its services, managing its supply chains, maintaining the safety and security of its staff and residents, and delivering on a wide range of projects including its corporate objectives. Risk can cause uncertainty in achieving business objectives but can also present opportunities.

Risk is defined as:

*“The possibility of an event occurring that will have an impact on the achievement of our objectives either negatively or positively.”*

### Why is Risk Management important?

Risk is inherent in all activities across the Council and risk management is an integral part of the Council's corporate governance arrangements. Managing risk improves the way we do business. It plays a key role in helping achieve our strategic objectives. It helps ensure decision making is better informed, precious resources are used efficiently and effectively and helps avoid unwelcome surprises. Good risk management is a key part of our everyday business.

### Slough BC's Risk Management Strategy

This document sets out the Council's strategy and approach to the management of risk and demonstrates its intention to continue to develop the maturity of Enterprise Risk Management (ERM) across the organisation to support the delivery of the Council's Strategic Priorities and Outcomes. This strategy is supported by the key elements of the Council's Constitution most notably Financial Procedural Rules and Financial Regulations.

The Council recognises that risk management is a journey and to be effective it must be characterised by a set of consistent principles, language, framework and processes. In order to achieve its strategic outcomes and objectives. The Council is committed to proactively managing its risks in a systematic way.

## 2 Policy Statement

Slough Borough Council its Members, Commissioners and Corporate Leadership Team have signed up to the following cultural statement regarding risk:

- Slough Borough Council promotes a transparent ‘no surprises’, ‘no blame’ culture where well managed risk taking is encouraged
- Councillors and Managers will lead by example to encourage the right behaviours and values
- Risk management behaviours and practices will be embedded into all Council activities including those with partners, contractors and arms-length organizations such as the Children’s Company.

This strategy sets out the Council’s commitment to managing risk effectively across its business, and the standard of risk management we expect across the organization.

In order to maximise the effectiveness of our risk management arrangements we will ensure:

- We have an environment that will allow the effective management of risk to flourish
- Our people have the skills and knowledge they need to fulfil their risk management responsibilities; and
- There is a commitment from the highest level to the consistent application of the agreed risk management approach across the organization.

### Benefits of Good Risk Management

Effective risk management identifies what might go wrong, what the potential consequences could be, and how to minimise the risk materialising. Our goal is to minimise the probability of unwelcomed events and reduce negative consequences of risk scenarios. This is achieved by developing mitigations and contingencies. Risk management also covers opportunities, defined as uncertain events where the positive impact of seizing the opportunity outweighs the status quo.

When implemented and maintained, the effective management of risk enables the organisation to:

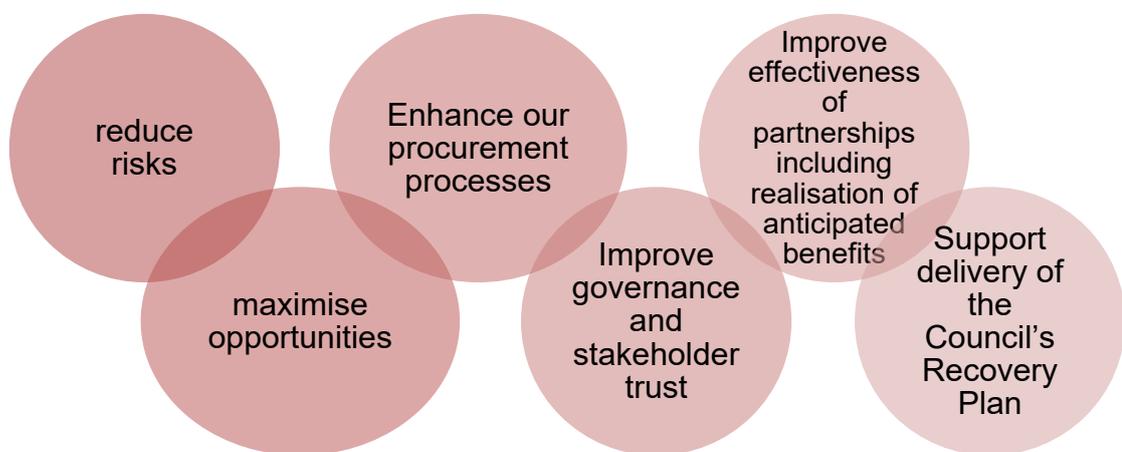
- Increase the likelihood of achieving its goals and delivering outcomes
- Improve the identification of opportunities and threats
- Improve governance, stakeholder confidence and trust
- Establish a reliable basis for decision making and planning
- Effectively allocate and use resources for risk treatment
- Improve organisational resilience.

It is the role of the Risk and Insurance Team within the Council to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisation to take control of the risks that threaten delivery. It is however everybody’s

responsibility to manage risk wherever they work in the organisation. The work of the team will be directed to effect the achievement of the following risk management objectives:

- Align the organisations culture with the risk management framework
- Integrate and embed the risk management framework across the organisation
- Enable the organisation to recognise and manage the risks it faces
- Improve risk awareness so the Council is better placed to avoid threats and take advantage of opportunities
- Minimise the cost of risk
- Anticipate and respond to emerging risks, internal and external influences and a changing operating environment
- Implement a consistent method of measuring risk.

The implementation of the Risk Management Strategy will assist the Council to:



### 3 Risk Management Framework

At Slough Borough Council, we are committed to ensuring risk management is embedded across the whole organisation. The risk management framework and the annual work and project plan of the Risk and Insurance Team follows industry best practice to provide a best-in-class risk management service helping the Council to be the most effective and efficient organisation.

For risk management to be successful, it is imperative that there is a single yet flexible approach for the management of business risk, adopted through all levels of the organisation. This strategy is one part of the overall risk framework, the essential elements of which include:

- Risk Management Policy Statement and Strategy (including governance and accountabilities)
- Risk Management Methodology
- Risk Management Tools and Guidance to support the methodology
- Risk Management Training Programme
- Risk Assurance Statement.

Our approach is to ensure that the discipline of effectively managing risk is integrated throughout the organisation and involves all key stakeholders including - but not limited to - officers, leaders, Members, partners and suppliers. Our framework is our end-to-end process of managing risk.

Primarily, Members and senior leaders of the organisation will be focussed on the strategic and business critical risks that could impact on the achievement of objectives or successful delivery of outcomes. More detailed business operations risks will be the primary concern of services and functions, where managers will be controlling and monitoring their risks and escalating these to a strategic level if they are no longer containable and manageable at a functional level.

Identified risks and mitigations are managed through the Council's corporate risk register and should be regularly discussed, reviewed and updated. Frequent risk reporting takes place across all levels of the organisation. The governance and reporting arrangements which set out what risk information is reported to which audience and when is covered in more detail in section 9 of this strategy.

The Risk and Insurance Team has a key role to play in supporting the operating principles of the Council and helping to achieve the strategic aims and priorities by providing oversight, challenge and assurance that risk is being effectively managed across the organisation; whilst delivering a high performing, customer focused service. It is the role of the Risk and Insurance Team to develop and set the risk framework for the

organisation to follow; ensuring that this adds value and is in line with the very latest industry standards and requirements. Section 11 of this strategy provides more detail on the roles and responsibilities of all stakeholders in relation to risk management.

## 4 Risk Appetite

Risk appetite is best summarised as "the amount of risk an organisation is willing to accept" and is about looking at both the propensity to take risk and the propensity to exercise control.

Ensuring the on-going effectiveness of risk management requires strong and sustained commitment by the Members and senior leaders of the Council as well as strategic and rigorous planning to achieve commitment at all levels. The tone set by senior management towards risk management has the greatest impact on organisational appetite.

As a large and diverse organisation it is recognised that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. We are working to strengthen and clarify our definition of risk appetite to ensure it reflects the acceptable levels of risk across the services of the Council. Culture, strategy and competitive position all influence our risk appetite and defining it forces the debate and ensures our risks are made explicit.

Slough Borough Council aims to be risk aware, but not overly risk averse and to actively manage business risks to protect and grow the organisation. To deliver its strategic aims, the organisation recognises that it will have to take and manage certain business risks. Intolerable risks are those that could:

- Negatively affect the safety of employees or our customers/clients
- Have a damaging impact on our reputation
- Lead to breaches of laws and regulations
- Endanger the future operations of the Council.

## 5 Risk Maturity

All organisations, including Slough Borough Council, are on a risk management journey. Risk maturity refers to where the business is on that journey and how well-established risk management is as a discipline across the organisation. Risk management is currently embedded and integrated across Slough Borough Council with a low level of maturity. There is increasing complexity of risks facing the Council, public service organisations and our senior leaders recognise and actively support the driving forward of the risk management agenda. We continue to review our current risk management capability to help us direct our resources to areas that need improvement and further development, ensuring that risk management arrangements remain fit for purpose in this changing environment.

We network and share information with other Councils across Berkshire and the wider Unitary Council's network. The Council regularly engages with external risk management bodies such as Alarm (the Association of Local Authority Risk Managers) and the Institute of Risk Management. These provide additional opportunities for Slough Borough Council to compare itself with industry best practice and ensure that it continues to move forward on the risk management journey.

## 6 Planning to achieve our objectives

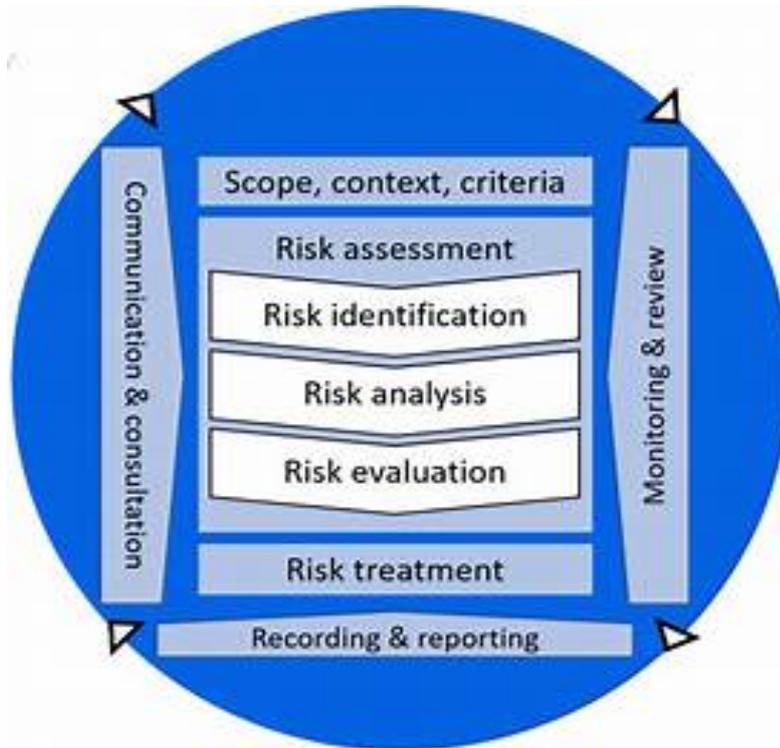
In order to improve our risk-maturity we will, during 2022-23, focus on the development of the Council's ERM framework using the framework promulgated by the Association of Local Authority Risk Managers (ALARM). As a starting point we will undertake a self-assessment of our Risk Management maturity as the basis for developing a multi-year plan for improvement. The Table below shows initial areas for inclusion in the plan but these will be refined once the maturity assessment has been concluded:

Focus Area	Plans over the next 12 months
 <p><b>Risk Strategy and Governance</b></p>	<p>Establish risk and insurance team as 'go to' resource for advice on risk matters.</p> <p>Formalise and embed governance structure through the currently established forums – Cabinet, CLT, Audit and CG Cttee, Risk and Audit Board – consider setting up wider Governance Group</p> <p>Agree oversight roles across all significant risk areas including partnership arrangements</p>
 <p><b>Risk Culture</b></p>	<p>Undertake risk culture exercise with CLT and Departmental Management teams</p> <p>Introduce regular risk training and refresher courses tailored to different requirements</p>
 <p><b>Risk Enabled process</b></p>	<p>Unified risk methodology, consistent language and assessment criteria used across the Council</p> <p>Improved clarity on risk ownership, development and implementation of mitigating actions to enable greater accountability</p> <p>Single Corporate Risk Register that is single source of the truth and builds on departmental risk registers</p>
 <p><b>Risk Appetite</b></p>	<p>Formal expression of risk appetite that is reflected in strategic and departmental plans</p> <p>Structured mechanism to monitor and flag risk appetite exceptions</p>
 <p><b>Technology Enablement</b></p>	<p>Embed risk management reporting then consider move away from Word based risk registers to a technology-based solution by the end of 2022-23.</p> <p>Introduce and embed risk management training and ethos across the organisation starting with the Members and Senior Managers.</p>

## 7 Risk Management Process

The risk management process is a series of logical steps which are carried out in sequence to progress through each stage of managing a risk. The process is cyclical and it is often necessary to revisit earlier steps and carry them out again to ensure you have a complete picture of the risks to the activity/outcome being assessed. Whilst we advocate there being less focus on following a rigid process and there being greater concentration on quality risk identification and action, there is a need to provide the organisation with risk management methodology.

There are many variations of the 'Risk Management Process' and at Slough Borough Council, the risk management process adopted is in line with the International Standard in Risk Management - ISO31000. The Risk and Insurance Team has developed detailed guidance and accompanying training to take users through completion of the process step by step.



The risk management process begins by establishing **the context** around which you want to identify and assess risks. This could relate to an activity, objective or outcome.

**Risk identification** sets out to identify an organisation's exposure to uncertainty. This requires knowledge of the organisation, the market in which it operates, the legal, social, political and cultural environment in which it exists, as well as the development of a sound understanding of its strategic and operational objectives, including factors critical to its success and the threats and opportunities related to the achievement of these objectives. The Council is exposed to a wide range of risks. These risks can be grouped in different ways, to help with the assessment and evaluation of the risks. The Council has categorised these risks to provide a simplified method to manage, respond to and report on risks in the Table overleaf:

Risk Type	Definition
Financial	Risks that a weakness in financial controls could result in a failure to safeguard assets, impacting adversely on the Council's financial viability and capability for providing services. Financial risks include fraud, corruption, and money-laundering.
Service Delivery	Risks that threaten the day-to-day delivery of services. Examples include: procurement issues; supply chain; maintenance of property/systems and IT, and others such as geopolitical (e.g. Brexit) and pandemic (e.g. Covid-19).
Reputational	Risks that the Council receives negative publicity which impacts on service user and public confidence in the Council (e.g. CIPFA and DLUHC reports, adverse inspection reports).
Legal / Regulatory	Risks which may impact on the ability of the Council to deliver high quality services in accordance with the requirements of regulators and national standards. This can include information governance (e.g. GDPR/Data protection, Planning Law, Health & Safety at Work Law, Procurement regulations)
People/ EH&S	Impact on the health, well-being or health and safety of the Councils employees or the public. Failure to invest in people and culture of the organisation. Examples include: stress in the workplace, lack of training and development opportunities, exposure to hazardous substances, investment in planned maintenance, safe working, lack of PPE.
Economic	Direct impact on the economy of Slough. For example, loss of revenue due to Covid-19 and potential loss of major sectors (e.g. finance, hospitality, fisheries), changes in growth of Heathrow airport.
Environmental / Social	Relating to the environmental consequences of progressing the Council's strategic objectives (e.g. in terms of energy, efficiency, pollution, recycling, landfill requirements, emissions etc.). This could include not investing in environmental and sustainable projects as a result of pressures on finances.

**Risk Analysis and Evaluation** - Once identified, each risks needs to be **assessed and assigned a score for both their impact and probability** - the combined outcome of this produces the risk rating. To ensure consistency and the ability to compare and report on the various levels of risk; Slough Borough Council has adopted a 6x4 risk matrix to be used when determining the risk rating. This is detailed further in Appendix A.

Each risk identified will initially be examined for its inherent (gross) level of risk. That is assuming the absence of any controls. Its significance will be judged in relation to its impact and likelihood. The risk will then be re-evaluated for its residual (net) level of risk using the same factors, but taking into account controls and mitigations already in place which affect the likelihood and impact.

A 6x 4 point scale (impact x likelihood) model is shown in Appendix A and will be used to evaluate risks. Both gross and net risks scores will be in the range of 1-25. Each risk will be plotted against a Risk Scoring Model.

The model defines overall levels of risk as Negligible; Marginal, Major and Catastrophic. It will show graphically the risks that require most urgent management attention and will also

include a line of tolerance. Any risk above the tolerance lines will be escalated to the next level as described below. Those risks which normally score between 16 and 24 will be regarded as strategically significant (or Principal) risks and will be included in the Corporate Risk Register which is considered by the Corporate Leadership Team .

However other risks with an impact (consequence) score of 3, 4, or 5 may be recommended by a Directorate Leadership Team (with advice from the Risk and Audit Board) or proposed by the CLT for inclusion on the Corporate Risk Register on the basis that the nature of the impact (consequence) of the risks means that the CLT should have continued oversight – even though a high level of controls / mitigation are in place.

**Risk Treatment and Control-** Following identification and assessment, a decision must be taken on **how best to respond** to the risk and if accepted then control measures need to be determined to manage the risk. Actions will be developed to ‘manage down’ those risks to the Council’s tolerance threshold. The options available will be one or more of the following:

**Tolerate** – Where our ability to take effective action is limited or where the cost of mitigating the risk outweighs the potential benefit.

**Treat** – Take action to control the risk to an acceptable level by means of containment (before the risk materialises) or contingent actions (once the risk has happened).

**Transfer** – Pass some aspects of the risk to another party. This can take the form of a conventional insurance transaction or paying a third party to take on risk in another way (for example through outsourcing services). The Council acknowledge that service and reputation risk cannot be transferred and that contracting can raise a range of other risks that need managing.

**Terminate** – Where feasible we will, by doing things differently, remove certain risks. Most risks can be managed by ‘treating’ them. Relatively few risks have to be transferred. Any proposals to address risks must identify the resources required to deliver the improvements, the individual responsible for their implementation and the key date(s) involved. They will be incorporated into service and project plans and recorded in each risk register.

**Communication and Consultation** - There should be communication and consultation throughout the process and the need for continual monitoring and review of the risk(s) throughout the lifecycle of the activity/objective/outcome. Each risk at the strategic and function levels needs to have a **clear link to one or more of the strategic aims that are in the Slough Recovery and Improvement Plan**. The relevant strategic aim is included as part of the captured risk information providing increased assurance that there is effective identification and management of risk.

## 8 RISK MONITORING AND REVIEW

Our ambition is for the Council to have one Corporate Risk Register which is populated from the risk assessments carried out at all levels within the organisation whilst enabling directorates, service areas, functions and project leads the ability to access information that is relevant to them (in supporting risk registers) in order to allow them to manage their part of the business. The Council's risk profile will be articulated using a 3-tier hierarchy.

**Community – emergency risks dealt with through resilience forum and joint planning**

**Strategic – those that could materially affect the Council's business model**

**Operational / Projects – those that impact day to day activities and projects**

Each tier refers to a dedicated risk register or set of risk registers. We set out later in this report the criteria for escalation and / or aggregation of risks. Further information will be contained within a Risk Management Toolkit. Once a risk has been identified, analysed, prioritised and further control actions agreed, it will be recorded in the relevant risk register. The total risk score will be used to measure performance in managing that risk and will be reviewed by the risk owner. High scoring risks will be subject to more frequent review.

## 9 Recording and reporting

Regular reporting on the status of strategic and emerging risks and of the measures of success will support two outcomes:

- Increased accountability for delivery upon the actions, and
- Communications to the Cabinet, Corporate Leadership Team and the Audit and Corporate Governance Committee that demonstrates the Council's commitment to risk management.

Having complete and current risk information available is vital to the Council, as this information drives business performance through the ability to make informed and calculated decisions. The table below outlines **the type of risks that the Council will report on its Corporate Risk Register:**

Types of risk	Description
Strategic Risks	Significant or strategic risks to the achievement of the Council's priorities. These risks are maintained by the Risk and Insurance Team and reviewed at least quarterly by the CLT.
Operational Risks	Report focused on common risks identified across the Departments. Risk Analysis on a regular basis through the Risk and Audit Board will allow for the identification of efficiencies and synergies in how the risk is managed.
New and Emerging Risks	New and emerging risks provide an opportunity to highlight emerging risk trends that could potentially impact the achievement of the Council's objectives. These are usually external risks e.g. new regulations or geopolitical relations. CLT will determine whether the new or emerging risks warrant inclusion in the Council's Corporate Risk Register.

Risks by exception	<p>These are risks specific to one or more Departments that are escalated for review, potentially by theme, and consideration because of one or a number of the following reasons:</p> <ul style="list-style-type: none"> <li>• the risk rating cannot be controlled / contained at the current level</li> <li>• the risk remains very high even after mitigations are implemented</li> <li>• action/ support is required from the relevant oversight body</li> <li>• the risk will impact on more than one public service / functions</li> </ul> <p>If the risk rating decreases significantly, these will be moved lower to the Departmental level once approval is obtained from the CLT.</p>
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The Council will adopt the following frequency of risk reporting requirements:

Recipient	Risk Type Strategic Risks	Operational Risks	New and Emerging Risks	Risks by exception
Council and Executive Board	Annually	Annually	As required	On an ad-hoc basis at the discretion of the Head of Financial Governance, Risk, Counter Fraud and Audit
Audit and Corporate Governance Cttee	Quarterly	Quarterly	As required	
Corporate Leadership Team	Quarterly	Quarterly	As required	
Risk and Audit Board	Monthly	Monthly	Monthly	
Departmental Leadership Teams	Monthly	Monthly	As identified	

## 10 Risk Management - Escalation of Risks

Our approach to risk management is founded upon ensuring risk is effectively and consistently managed across all levels of the organisation. The risk culture that emanates from the Executive Board throughout the organisation is essential in ensuring all levels buy into and adhere to the corporate risk process.

The Levels:

**Service/Unit Level:** The day-to-day management activities provide reasonable assurance that the main tactical and operational risks arising from service operations are identified, assessed, managed and monitored. Close links between the service risk coordinators and the Risk and Insurance Team strengthen the process and ensure consistency in the risk messages delivered within the services.

**Programme/Project Level:** The identification of risks from the initial business case stage in a programme/project and continued risk management throughout the project lifecycle to ensure the objectives can be achieved. Where there is a programme/project risk register in place consideration should be made as to the inclusion of an overarching risk on the relevant function level risk register. There is regular reporting of the significant programmes and projects to the Delivery Board.

**Function Level:** The function complies with the risk management strategy and ensures key risks are identified against the delivery of the annual service plan. This level is the key lever for escalation of risks through to a strategic level where they are no longer containable by the function alone. Risk reviews, facilitated by the Risk and Insurance Team, take place regularly.

**Leadership/Strategic Level:** The highest level of risk is managed at this level. Reports on the top business critical risks are reviewed by the Corporate Leadership Team and discussed at the Cabinet meetings on a quarterly basis. This level sets the tone for effective risk management across the whole organisation. At this level, the risk management strategy is agreed and endorsed and its principles championed by the strategic leaders of the Council. In the event that a single risk or group of risks exceed a pre agreed tolerance threshold then the risk(s) should be escalated to a senior level via the pre agreed procedure. The risk owner will initially be responsible for either deciding on a course of action or escalating the information to a more senior level.

Similarly it should also be clear where a risk can be delegated to a lower level for action.

**Process** If a risk owner identifies that the risk needs to be moved because it fits into one of the categories as stated above the advice of the relevant Risk Coordinator or the Risk and Insurance Team should be sought regarding moving the risk. If this results in a change of risk owner, the potential new risk owner must be contacted for handover. If a risk is multi service or organisation wide the risk owner should consult with other relevant stakeholders before recommending a change of level.

**Connections between the levels of risks:**

***A risk may need to be escalated to a higher level if:***

- the risk becomes too unwieldy to manage at the current level
- the risk rating cannot be controlled contained within its current level

- the risk remains very high even after mitigations are implemented
- the risk will impact on more than one service project or function if
- the risk event materialises
- the risk moves outside the appetite boundaries I comfort zone.

***A risk may need to be moved to a lower level if:***

- the risk can be controlled and managed at a lower level
- the risk rating decreases significantly and the risk event will only affect one function 1 service area or 1 team, and
- the impact will be limited then this should be controlled more locally at a lower level.

If a risk owner identifies that the risk needs to be moved because it fits into one of the categories as stated above the advice of the relevant Risk Coordinator or the Risk and Insurance Team should be sought regarding moving the risk. If this results in a change of risk owner, the potential new risk owner must be contacted for handover.

If a risk is multi service or organisation wide the risk owner should consult with other relevant parties before recommending a change of level.

**Strategic Level** - If the risk is to be moved to the Strategic Level then the Risk and Insurance Team will need to be consulted so this can be considered by Corporate Leadership Team (CLT) for inclusion on the Strategic Risk Register. If CLT endorse the inclusion of this risk then the Risk and Insurance Team will ensure the risk features in the Corporate Risk Register and falls within the standard monitoring and review cycle.

**Function Level** - If the risk is to be escalated to the Function level then, in conjunction with the Risk Coordinator, the risk owner needs to consult with senior management regarding inclusion to the function risk register. This ideally should be raised with the function leadership team either at the next available meeting or remotely. Similarly to the escalation process if the risk is considered to be moved down a level then the appropriate Risk Coordinator should be involved to assist in the process

## 11 Roles, responsibilities , expectations

All Members, senior leaders, employees and partner organisations have a role to play in ensuring that risk is effectively managed. The risk management framework has been fully endorsed and supported by the Leaders of the Council who set the organisational tone for risk management and champion the benefits through all levels of the business. Risk management is only considered to be truly embedded when it functions as part of the Council's day-to-day operations. In order for this to be achieved it is vital that clarity exists to determine the various roles and responsibilities of individuals involved throughout the Council in the risk management process and this strategy formalises those responsibilities. The table below outlines the key responsibilities for each group/stakeholder.

Group/Stakeholder	Role Description
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>Oversee delivery of the Risk Management Strategy Team</li> <li>Review progress of the management of strategic risks</li> <li>Ensure consideration of risk in agreeing the organisations direction of travel.</li> </ul>
<b>Audit and Corporate Governance Committee</b>	<ul style="list-style-type: none"> <li>Review the effectiveness of risk management arrangements</li> <li>Provide comment and challenge on risk management activity and progress.</li> </ul>
<b>Corporate Leadership Team</b>	<ul style="list-style-type: none"> <li>Overall accountability for risk management across the business including ensuring the Management Board strategic risk register is a live and up to date record of the current risk exposure Members</li> <li>Set the tone for risk management, promote the benefits of effective risk management and lead by example in embedding the risk management framework</li> <li>Establish a control environment and culture where risk can be effectively assessed and managed</li> <li>Regularly discuss and review the strategic risk register and associated risk reports.</li> </ul>
<b>Risk and Audit Board</b>	<ul style="list-style-type: none"> <li>To ensure that the Council is proactively managing strategic risk</li> <li>To ensure that there is a clear process in place to allow Corporate Leadership Team, Audit &amp; Corporate Governance Committee and Cabinet to have assurance that risk is being robustly managed within the authority</li> <li>Consider and challenge the management of risk to provide assurance that a strong control framework and good governance arrangements are in place</li> <li>Ensure any emerging risks identified through governance reporting are escalated in accordance with the risk management framework.</li> </ul>
<b>Section 151 Officer, Monitoring Officer and Head of Paid Service (statutory)</b>	<ul style="list-style-type: none"> <li>Overall accountability for the effective delivery of the organisation's risk management function in accordance with industry best practice</li> </ul>

<b>governance officers)</b>	<ul style="list-style-type: none"> <li>• Ensure risk management features as part of the organisations proper administration to protect the authority from financial and reputational risk.</li> </ul>
<b>Departmental Leadership Teams</b>	<ul style="list-style-type: none"> <li>• Ensure adherence with the risk management strategy and framework Teams</li> <li>• Champion the benefits of effective risk management</li> <li>• Take ownership for risks within their function and ensure risk registers are regularly discussed, reviewed, updated and escalated as appropriate</li> <li>• To appoint a risk coordinator to drive forward the risk management framework within their function.</li> </ul>
<b>Heads of Service</b>	<ul style="list-style-type: none"> <li>• Record and manage risks effectively in their service area, in accordance with the risk management framework</li> <li>• Where necessary escalate risks to Function Leadership Teams</li> <li>• Ensure their staff have appropriate understanding and training on risk management</li> <li>• Champion the benefits of risk management across their service and communicate the corporate approach to managing risk.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Manage risk as part of their role and report risks to their managers</li> <li>• Develop understanding of risk management in SBC</li> <li>• Maintain awareness of risks, their impact, including costs, and feed these through the adopted risk management process.</li> </ul>
<b>Head of Financial Governance, Internal Audit, Counter Fraud, Risk and Insurance</b>	<ul style="list-style-type: none"> <li>• Overall leadership for the effective delivery of the organisation's risk management Assurance function in accordance with industry best practice.</li> <li>• Establish and embed the risk management framework across the Council</li> <li>• Provide oversight, challenge and assurance that risk is being effectively managed.</li> </ul>
<b>Risk and Insurance Team</b>	<ul style="list-style-type: none"> <li>• Develop guidance, tools and training to support the business to manage risk effectively in Team accordance with the risk management framework</li> <li>• Embed the risk management strategy and process to drive consistency in its application</li> <li>• Provide support and training on the risk register system</li> <li>• Provide assurance, support and challenge to the business on all areas of risk management.</li> </ul>

## 12 Integrating with the control and assurance framework

Risk management complements Slough Borough Council's internal control environment, alongside other financial, operational and compliance controls. The UK Corporate Governance Code (2016) dictates that –

*"The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems".*

Sections 11 and 12 of this strategy outline the roles and responsibilities, and governance framework for risk management within Slough Borough Council, demonstrating our arrangements for dispersing accountability and responsibility for risk management throughout the organisation. With particular focus on internal control, the Audit and Corporate Governance Committee are the organisation's oversight body for risk management, providing check and challenge to the risk management strategy, process and delivery.

The Risk and Insurance Team work closely with the Risk and Audit Board, internal audit and governance colleagues to ensure the principles of good governance are adopted. Auditing of the business risk management framework is undertaken by the Council's internal audit team in accordance with their audit plan and recommendations arising are fed back through the risk management framework to ensure continual improvement.

The Institute of Internal Audit issued a report entitled "the three lines of defence in effective risk management and control". This provides a model for clarifying response at both an operational and strategic level and this has been adopted for Risk Management at Slough Borough Council as a 'Three Lines of Assurance' model.

First Line of Assurance	Second Line of Assurance	Third Line of Assurance
Managers in Functions and Service Areas	Risk Management Health and Safety Business Continuity Emergency Planning Information Data Security Insurance	Internal Audit

Within this model, management control is seen as the first line of assurance; this shows how each function area complies with risk management sources of assurance. The second line of assurance shows the oversight functions of Assurance Services. The third line of assurance provides Internal Audit's assessment of the risk management sources of assurance. Assurance is also offered from external sources such as external audit. This model provides active scrutiny and challenge to ensure assurance is achieved.

### **13 Risk register system (to be introduced 2022-23)**

As part of good governance, the Council manages and maintains a register of its key strategic and operational business risks - assigning named individuals as responsible officers for ensuring the risks and their control measures are monitored and effectively managed. The risk register is a critical tool for capturing and reporting on risk activity and the organisations risk profile.

The various risk registers are currently maintained in Word documents. This is cumbersome and a move to an electronic solution utilising a live database where new risks are captured, others are managed to extinction and some require close and regular monitoring will be introduced during 2022-23.

The data within the register is used to inform the business of the threats it faces in delivering outcomes and services to the council. It is part of the Councils internal governance and performance frameworks and is used to ensure the organisation operates effectively. The current system in use is Word based and a potential alternative is to make broader use of the insurance software JCAD LACHS by utilising the risk management module JCAD CORE. This could be administered by the Risk and Insurance Team, managed out in the organisation by the service risk coordinators and able to be reviewed and updated by individuals as appropriate. The Risk and Insurance Team would need to promote self-service by delivering system training across all services which embraces the Council's digital aspiration. System enhancements are part of the development plans as we continue to meet the demand to be able to access risk management data quickly and effectively when most convenient for the individual or group.

### **14 Guidance, education and training**

The Risk and Insurance Team is responsible for developing workforce risk management capability across the organisation, through the provision of guidance, education, training and support. Guidance materials are under regular review to ensure they reflect the needs of the organisation and are compatible with the organisations structure having the flexibility to adapt to new and changing structures. New ways to engage with officers and leaders to help with the understanding and embedding of effective risk management is under regular review, with the options for digital learning and development high on the agenda. The risk management intranet pages are continually being improved.

New training with accompanying companion guidance has been and will continue to be developed and rolled out. The risk management strategy, guidance and training materials are reviewed on a regular basis to ensure they continue to meet the needs of the organisation and incorporate the very latest industry best practice. The most recent training programme is now on the Cornerstone site.

## 15 Quality assurance and review procedures

To ensure the risk management framework remains fit for purpose, we continually seek to review and improve our risk management methodology and embrace new initiatives and industry practices that suit the needs of our organisation. We adapt to our changing operating environment and economic conditions and have a risk framework with sufficient flexibility to cope with these changes.

We aim to improvise, innovate and experiment in addressing challenges and exploiting opportunities learning from both success and failure, which strengthens the organization and its dependent networks. Members of the Risk and Insurance Team have the necessary skills, professional knowledge and relevant qualifications in their field and are members of external risk forums, working groups and related risk education and learning industry groups.

Risk skills and knowledge from these are fed back into our day-to-day practices at Slough Borough Council to ensure we are at the forefront of enterprise risk management. The risk management policy & strategy, guidance and associated tools are regularly reviewed to ensure the impact of new legislation, government guidance or internal changes in practice are captured and reflected. Risk management is subject to the Councils internal audit practices and as such, is audited in line with the timetabling set by the Internal Audit Plan. Any recommendations arising from audit activity is channelled back through our annual work plans to ensure they are addressed.

## 16 Evaluating success

In order to determine whether the risk strategy has delivered its anticipated benefits the following measures will be developed and monitored to assess the success of the strategy.

Expected Benefit	Measure
Effective decision making through better understanding of risk exposures	Improved current risk ratings / reduction in level of risk exposure across the Council Documented evidence of 'risk consideration' in approvals of strategic decisions e.g. Recovery and Improvement Plan, business plans, project plans etc.
Effective use of the Councils' resources to deliver outcomes for residents	Improved risk reporting / decision making (e.g. hours saved by risk function, number of risk related advice information requested)
Compliance with legal and regulatory requirements	Reduction in number of breaches and size of penalties / fines Reduction in number of exemptions
Improved confidence and proactivity to manage risk	Positive stakeholder feedback Improved ratings from internal and external audits e.g. Scrutiny, External Audit, Internal Audit
Capitalising on opportunities	Increased number of opportunities recognised and realised

	Costs saved / profit made through successful opportunities
Increased organisational risk maturity	Improving risk maturity score against ERM maturity model
Confidence and trust of stakeholders	Positive stakeholder feedback through risk surveys
Accountability for risk	All risks and treatments with named owners  % of 'active' risks with mitigating activities taking place
Enhancement of the Councils' reputation	Number of external audit findings addressed in a timely manner and meeting / exceeding customer expectations

## APPENDIX A – RISK ANALYSIS AND EVALUATION SCORING

Risks are scored using a 6x4 matrix which scores the likelihood and impact of the risk. The risk score is calculated as  $(\text{impact}) \times (\text{likelihood}) = \text{risk score}$

The opening risk score is determined by assuming no control measures are in place.

Likelihood	Very High	6	12	18	24
	High	5	10	15	20
	Significant	4	8	12	16
	Low	3	6	9	12
	Very Low	2	4	6	8
	Almost impossible	1	2	3	4
		Negligible	Marginal	Critical	Catastrophic
		<b>Impact</b>			

### Measuring Impact

Risk Category	Impact Category	Marginal	Critical	Catastrophic
	Negligible			
Risk Score	1	2	3	4
<b>Economic/ Financial</b>	Financial impact up to £50,000 requiring virement or additional funds	Financial impact of £50,000 and £500,000 requiring virement or additional funds	Financial impact of £500,000 to £1,000,000 requiring virement or additional funds	Financial impact in excess of £1,000,000 requiring virement or additional funds
<b>Strategic</b>	Could have a major impact on one departmental objective - no impact on a Council strategic objective	Could have a major impact on a Departments' objectives - some impact on a Council strategic objective	Severely impact the delivery of a Council strategic objective	Council would not be able to meet multiple strategic objectives
<b>Health &amp; Safety</b>	Reduced safety which if left unresolved may result in minor injury	Minor injuries	1 death or multiple serious injuries	Multiple deaths

<b>Environment</b>	Minimal short-term/temporary environmental damage	Borough-wide environmental damage	Major long-term environmental damage	Very severe long-term environmental damage
<b>Legal/Regulatory</b>	Minor breach resulting in small fines and minor disruption for a short period	Regulatory breach resulting in small fines and short-term disruption for a short period	Minimal CMT but major departmental management effort required	Very severe regulatory impact that threatens the strategic objectives of the Council
<b>Operational (including Contractual)</b>	Minimal contract management required	Minimal departmental but major contract management required	Minimal CMT but major departmental management effort required	Major CMT management effort would be required
<b>Programmes and Projects</b>	Risk does not affect overall project tolerances	Risk affects delivery of a milestone, but overall project tolerances are unaffected	Risk affects project tolerances to Amber RAG rating	Risk affects project tolerances to Red RAG rating

## Measuring Likelihood

<b>Almost Impossible</b>	<b>Very Low</b>	<b>Low</b>	<b>Significant</b>	<b>High</b>	<b>Very High</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Less than 10%	10 – 30%	30 -50%	50-70%	70 – 90%	More than 90%
Event may occur only in exceptional circumstances	Event will occur in exception circumstances	Event should occur sometime	Event will occur sometime	Event may occur only in most circumstances	Event will occur only in most circumstances

Those risks which normally score between 16 and 24 will be regarded as strategically significant risks and will be included in the Corporate Risk Register which is considered by the Corporate Leadership Team. However other risks with an impact (consequence) score of 3, 4, or 5 may be recommended by a Departmental Leadership Team (with advice from the Departmental Risk Group) or proposed by the CLT for inclusion on the Corporate Risk Register on the basis that the nature of the impact (consequence) of the risks means that the CLT should have continued oversight – even though a high level of controls / mitigation are in place.

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**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	18th July 2022
<b>SUBJECT:</b>	Senior management team restructure
<b>PORTFOLIO:</b>	Leader of the Council
<b>CHIEF OFFICER:</b>	Gavin Jones, Chief Executive
<b>CONTACT OFFICER:</b>	Gavin Jones, Chief Executive
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	NO
<b>EXEMPT:</b>	NO
<b>DECISION SUBJECT TO CALL IN:</b>	NO
<b>APPENDICES:</b>	Appendix 1 – Proposed management structure

## 1 Summary and Recommendations

- 1.1 This report sets out recommendations for how the Council's main functions are coordinated and appropriately managed. Various governance reviews have highlighted issues with the implementation of the Our Futures restructure, which has led to significant capacity issues in service delivery. The DLUHC commissioned governance review recommended a focus on bottom up service reform, the need to prioritise permanent and longer term recruitment for key roles and the need to significantly reduce reliance on external consultancy support to deliver "internal" services.

### Recommendations:

Cabinet is recommended to:

1. Approve the change from a six directorate model to a seven directorate model with changes to the areas of service delivery under each directorate;
2. Note the report to Employment and Appeals Committee with a recommendation to full council to change the chief officer and deputy chief officer roles and delegate authority to the chief executive to consult and make changes to the structure in response to the consultation.

**Reason:** Various recent reports have highlighted the need to significantly improve capacity and capability in the delivery of services. This requires a new structure at chief officer level and an increased capacity to enable the re-structures of services within the directorate to happen at pace.

## Commissioner Review

This report is authored by Gavin Jones, Head of Paid Service and is fully endorsed by the Lead and Finance Commissioner.

## 2 Report

2.1 This report recommends changes to the Council's management arrangements to make it fit to deliver the first stages of Slough Borough Council's recently approved corporate plan, *Doing right by Slough*. Once agreed, the changes proposed here are to be started immediately but full implementation is likely to take until March 2023 as the replacement of interim staff with permanent employees is phased.

2.2 As the corporate plan articulated the Council is on a long-term path to recovery following the S114 notice in July 2021 and the intervention programme put in place by the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC). One factor that has placed a handbrake on progress during recent months and the initial stage of recovery is the current constraint of corporate capacity. This includes absence of change and organisational development capacity and capability, and a senior leadership team which consists almost entirely of interim support and other temporary or acting up arrangements. It establishes the delivery unit agreed within the plan and a clear, robust Corporate Leadership Team structure. The proposed new arrangement will therefore establish the initial capacity and capability to enable the Council to deliver the stabilisation and operating model stages of recovery outlined in the corporate plan. It should be assumed that the Council will need to revisit this structure during the operating model stage of the corporate plan and agree a long-term structure which will be fit for purpose for the new operating model.

### Options considered

#### (a) Continue with existing structure

The Council is not currently operating under the chief officer structure as set out in the Constitution, as the directorates of Place and Customer and Community are being covered by one officer, pending consideration of a new structure. In addition some services that were in the Customer directorate have been managed by the interim chief finance officer, who is covering the role of Executive Director of Corporate Resources. In summary, the structure proposed under the *Our Futures* model has not been fully implemented, either at Executive or Associate Director level. This does not provide clarity for the staff nor does it provide the necessary capacity or capability to drive forward improvements.

#### (b) Agree to a new structure of services under newly defined directorates

Whilst the Council may need to re-visit this structure in the future, the proposed structure is a more fit for purpose one for the medium term to allow the Council to deliver on its priorities under the Corporate Plan. **This option is recommended.**

### Background

2.3 The Council's recent corporate plan clearly demonstrates the scale of the continuing challenge that the Council faces. It is essential that the Council's organisation can respond to these demands. Ensuring the fitness of the organisation to meet these challenges is the purpose of this report. The DLUHC governance review made specific recommendations in relation to the Council's staffing structure. These included a need to

re-focus on service reform, a need for functional capability reviews for each service area, a need to prioritise some services such as IT, finance and democratic services and a need to create a distributed leadership and permission culture. The lack of permanence at the most senior levels was flagged, particularly in relation to finance, public health and children's services, as was the need to move away from external consultants delivering internal audit and procurement and contract management functions. Finally the review recommended a need to focus on improving performance in service areas.

2.4 While this report outlines the functions of the Council and how they are organised into directorates led by Executive Directors, the Executive Directors also constitute the Council's corporate leadership team and therefore hold a wider corporate role which is important to emphasise. As a group they are expected to provide strategic leadership to the whole organisation and hold collective responsibility for the delivery of the Council's corporate plan including its recovery from its current financial difficulties.

2.5 Importantly, the Executive Directors, through the corporate leadership team, are responsible for setting and developing the officer culture at the organisation and embedding a positive set of values into the operation of the Council. This includes modelling positive behaviours, as well as leading work with employees and Members to set and develop a positive culture.

2.6 Currently, the Council has a six-directorate design, although this is not operational. The six directorates, each with an Executive Director, in the constitution are:

- Corporate Operations
- Place
- Customer and community
- People (Children)
- People (Adults)
- Strategy

2.7 Given the significance of the challenges facing the Council outlined in the corporate plan, particularly in areas of housing and asset disposal, as well as the breadth of existing responsibilities it is proposed to change the individual roles' spans of control and responsibilities in some areas and move the Council to a seven-directorate model. That is:

- Chief Operating Officer – to manage governance, transformation, communications, ICT, HR and customer services
- Strategy – to manage strategy, data and insight
- Finance and Commercial – to manage strategic finance, financial management, revenues and benefits and transactional finance, internal audit, corporate anti-fraud and commercial services
- Place and Communities – to manage environmental services and infrastructure services, regulatory services, community safety, leisure, libraries and other community services
- Housing and Property – to manage assets, including asset disposals and HRA and non-HRA housing services
- People – Adults – to manage Adult Social Care, People Strategy and Commissioning and Public Health
- People – Children – to manage education and inclusion services and children's services that are not contracted out to Slough Children First.

2.8 Consequently, it is recommended that the housing and property functions, currently split between the Place and Customer and Community directorate are reshaped into a new Housing and Property directorate. The advantages of this are as follows:

- Housing services are managed within one directorate, instead of asset management being managed separately from tenancy management and housing needs.
- The asset disposal project is a major project that requires a dedicated and specialist resource to ensure delivery.

2.9 The new Housing and Property directorate will play an integral role in delivering the Council's corporate plan. The Council's financial future is heavily reliant on the successful delivery of the asset disposal plan which will be led from this directorate. Housing services is also a political priority for the Council and an area identified for improvement within the Council's recovery plan so it is appropriate that this area is given renewed focus within the structure through which the Council intends to move forward.

2.10 With housing services and property responsibilities removed, the Place and Community directorate will include environmental, leisure, community and regulatory services.

2.11 The role of Executive Director for Finance and Commercial is a role created by the need for a focus on financial recovery and dedicated, qualified officers fulfilling this role. A report was taken to Employment and Appeals Committee in June with a recommendation to create a new Executive Director role, leaving the existing Executive Director of Corporate Resources to manage the other corporate teams. There will be a phased approach to transferring services due to the need to recruit to roles. Given the financial challenges facing the Council it is appropriate that the organisation's Section 151 officer is able to focus upon these challenges.

2.12 The remaining corporate resource teams will be split between the Chief Operating Officer and the Executive Director of Strategy. The Chief Operating Officer's directorate will take on the activities of the "delivery unit" outlined and agreed in the corporate plan and would include the following functions:

- Governance, including democratic services and scrutiny
- Transformation (including project capability and risk management)
- Strategic Communications and Change
- Human Resources
- ICT
- Customer and business support

2.13 Under the new role of AD of Transformation, there will be a delivery unit team comprising of up to 6 programme managers and 7 project support officers. These roles will be filled on a temporary basis initially whilst the Council considers whether permanent resources are needed. The chief executive will make a decision as to whether this structure is needed on the longer term and any required budget will be determined via the usual budget setting process.

2.14 The Executive Director of Strategy will lead on strategy and organisational design, including focusing on the role of data and insight to inform strategy.

2.15 Overall the Council's management arrangements require swift changes to ensure the organisation has the capability and capacity to respond proactively to the challenge set

within the corporate plan and by the Commissioners. It has taken significant time to get to this stage and change needs to be accelerated in the coming weeks and months. This report is intended to put capacity in place quickly to enable that to happen.

2.16 Looking forward the management arrangements will need to be reviewed as the challenge changes. In particular, the corporate plan lays out a four-stage recovery journey which include a second operating model stage. This point will be critical in informing the longer-term management arrangements required in Slough with further changes likely then. However, this report makes limited changes to the existing approach while bringing in necessary additional support which will enable the council to make progress over the next 18 months to two years.

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

3.1.1 The above structure changes require the creation of two new executive level positions – the Chief Operating Officer and the ED Housing & Property. There is therefore a requirement to create budget for these two positions. Additionally, while the position of ED Strategy exists in the structure there is no budget allocated and so this will be required as well. Furthermore, there are additional proposed positions in the revised structure which will be required to support the COO and ED Housing & Property and ED Place. These are as follows:

Under the Chief Operating Officer:

- AD Transformation
- AD Strategic Comms & Change
- A delivery unit team comprised of 6 programme managers and 7 project support officers
- Interim Monitoring Officer (for which the permanent post budget is insufficient)

Under the ED Housing & Property:

- AD Property
- AD Housing

Under the ED Place

- Head of Service, Community

3.1.2 There is currently no budget in the permanent structure for the above posts. Based on current known or estimated costings, timings of when individuals will come into the organisation, and whether on an interim or fixed term contract basis, this structure will require investment for the council of an estimated £1.998m in 2022/23 and £1.826m in 2023/24, net of the budget held for the Monitoring Officer. The rates applied in 2023/24 are based on salary rates rather than contractor day rates. It is assumed that the delivery unit will consist of interim appointments until at least April 2023 to allow the demand for this service to be assessed during the year and to give the Council flexibility in its financial commitments. These estimates will be refined once precise dates and amounts are known.

3.1.3 This is fully funded within the capitalisation direction. The monies being utilised are available until March 2024, by which point the Council will need to review the requirement for the positions, its financial position and how any consequential budget funding gap is to be met as it works through the overall budget process for 2024/25. This will be worked into the ongoing and future budget processes

#### **3.2 Legal implications**

3.2.1 Cabinet has a reserved function to make decisions on reorganisations of departments or services involving more than 20 redundancies or likely to give rise to operational disruption or interruption of services or involving a change from direct to indirect provision or vice versa and to make decisions on policies and plans outside of the policy framework and with such a framework to determine the Council's overall priorities for services and projects. Whilst the recommendations in this report will not involve redundancies of 20 or more and are expected to lead to service improvements, the changes are critical to the implementation of the recovery plans and are therefore deemed a decision for cabinet.

3.2.2 The head of paid service has responsibility to report on the manner in which the discharge by the authority of their different functions is co-ordinated, the number and grade of staff required by the authority to discharge its functions, the organisation of the authority's staff and the appointment and proper management of staff. A separate report is being taken to an extraordinary meeting of the Employment and Appeals Committee with a recommendation to full council in relation to the chief officer structure and creation of new roles.

3.2.3 The function of appointment of staff must be discharged by the head of paid service or an officer nominated by him, with the exception of statutory chief officers, non-statutory chief officers, deputy chief officers or political assistants. Under the Chief Officer Employment Rules chief officers are appointed at a member level, however deputy chief officers are appointed at an officer level.

3.2.4 The determination of remuneration of or other terms and conditions applying to chief officers and deputy chief officers must comply with the Council's pay policy and are a matter for determination by the Employment and Appeals Committee, however guidance issued under the Localism Act 2011 states that decisions on remuneration over £100,000 should be determined by Full Council.

### 3.3 Risk management implications

#### 3.3.1 Summary of risks:

<b>Category</b>	<b>Risk/Opportunity</b>	<b>Controls</b>	<b>Residual Risk Score (1 (Low) to 10 (high))</b>
Operational / Financial	Corporate team remains or reverts back to being under resourced and under skilled  Impact: cultural and operational change is delivered slowly or not at all. Benefits are not realised in a timely manner. The financial challenges facing the authority worsen. Service quality diminishes	Timely additional temporary and permanent resources are identified and secured Strong employment narrative is developed to ensure Slough is able to attract and retain to appropriate levels of skill and experience Current team of interims are secured for the short to medium term Skills and knowledge transfer takes place	<b>9</b>
Legal	DLUHC and other regulators may not have confidence that the Council can address all the matters to the quality and in the time needed, leading to failure to meet	Employment of new finance team Employment of temporary additional resource Creation of appropriate permanent finance structure as part of this report	<b>7</b>

<b>Category</b>	<b>Risk/Opportunity</b>	<b>Controls</b>	<b>Residual Risk Score (1 (Low) to 10 (high))</b>
	<p>best value duty and other statutory duties.</p> <p>Impact: More stringent conditions are applied to the Council. Staff leave to better their careers elsewhere. Services reduce in quality.</p>	External review comments on the newly instigated finance service	
Strategic	<p>Weaknesses in Council's strategic direction, governance, management, financial reporting and performance management continue</p> <p>Impact: The Council fails to take advantage of opportunities as they arise. The residents and businesses of Slough experience a lack of direction in terms of service delivery. Government imposes greater intervention and conditions on the Council</p>	Corporate plan seeks to address these issues and will be driven by the senior team with support from the officers outlined in this report.	<b>7</b>
People	<p>A lack of permanent leadership impacts the ability to recruit and retain and the health and well being of current team</p> <p>Impact: significant health and wellbeing issues for the staff Morale in the greater staff population falls Filling vacancies becomes more difficult with knock on impact on service delivery and the budget Service delivery quality falls – the people of Slough experience significant service issues</p>	<p>Recruit permanent team</p> <p>Implement communication strategy across the Council with regular updates</p> <p>Ensure all organisational leaders and managers are engaging regularly with staff with regular staff engagement sessions.</p>	<b>7</b>

### 3.4 Environmental implications

3.4.1 None

### 3.5 Equality implications

3.5.1 The assessment and recruitment process is constructed to ensure equality of access and non-discrimination.

### 3.6 Procurement implications

3.6.1 None.

### 3.7 Workforce implications

3.7.1 The new structure is designed to invest additional capacity and experience within the team. It is anticipated that all permanent post holders will be assimilated or ring-fenced for roles where their existing role is ceasing or changing. A separate report has been presented to the Employment and Appeals Committee setting out the steps required under the Council's policy and toolkit on organisational change.

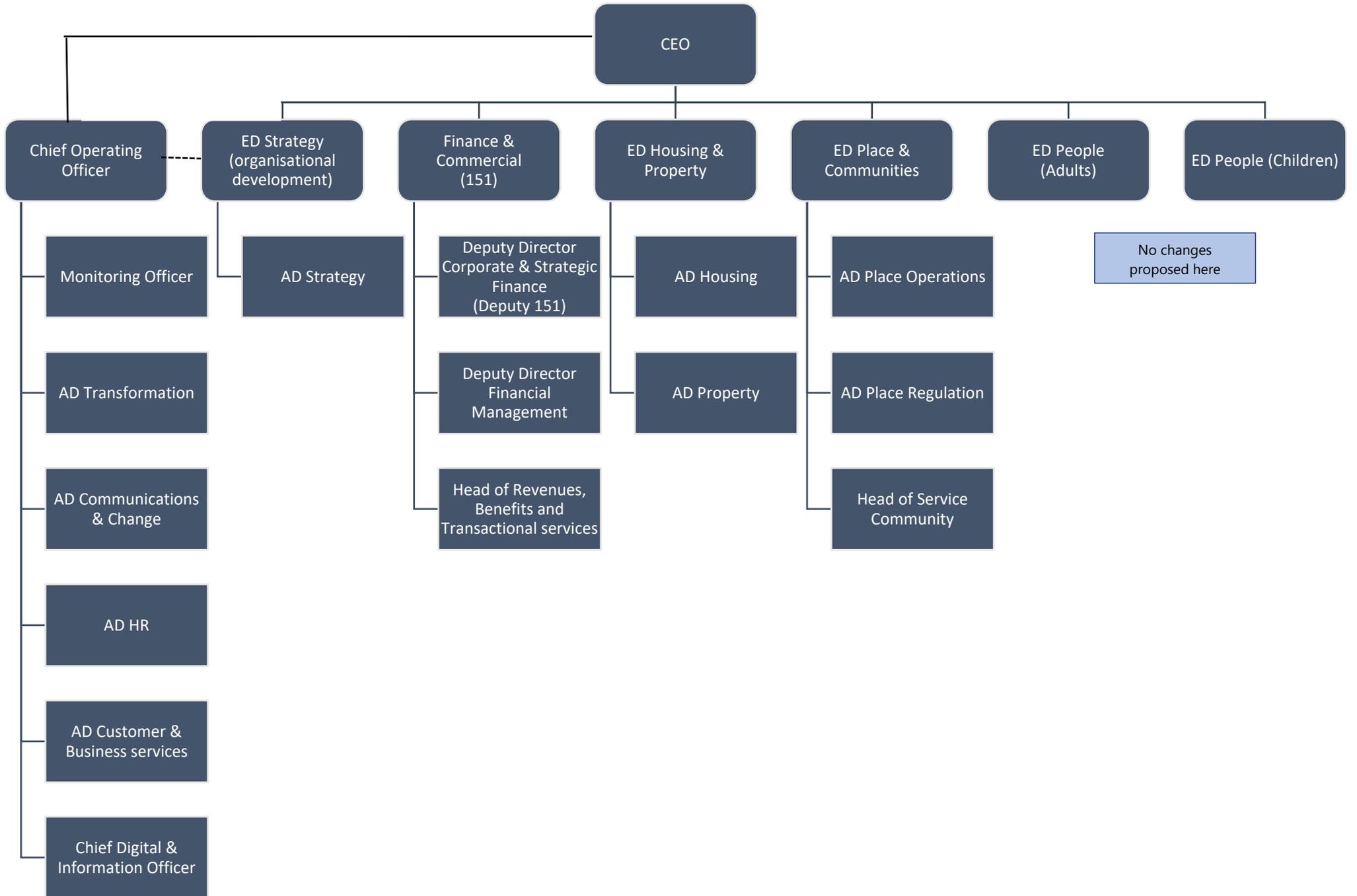
3.7.2 The Council's policy and toolkit on managing organisational change requires the Council to follow a fair process and conduct meaningful consultation with appropriate employees, trade unions and other relevant stakeholders. This process is in place and the Employment and Appeals Committee is recommended to delegate authority to the chief executive to undertake consultation and agree the final details for the roles and structure in response to this consultation. Once the final structure is agreed, work will commence on job matching and recruitment to new and vacant roles, which will lead to increased capacity from the Autumn 2022 and a more permanent and stable staffing structure from March 2023.

### 3.8 Property implications

3.8.1 None, however the new directorate of Housing and Property will bring an increased capacity and capability to support the asset disposal project and be responsible for management of all the Council land assets.

## **4. Background Papers**

None





## Slough Borough Council

<b>Report To:</b>	Cabinet
<b>Date:</b>	18 <sup>th</sup> July 2022
<b>Subject:</b>	IT Team Restructure
<b>Lead Member:</b>	Councillor Ajaib, Lead Member, Customer Services, Procurement and Performance
<b>Chief Officer:</b>	Steven Mair – Executive Director Finance and Commercial (s151)
<b>Contact Officer:</b>	Simon Sharkey Woods, Interim Chief Digital & Information Officer
<b>Ward(s):</b>	All
<b>Key Decision:</b>	NO
<b>Exempt:</b>	NO
<b>Decision Subject to Call In:</b>	YES
<b>Appendices:</b>	Appendix 1 – Existing Structure Appendix 2 – Proposed Structure Appendix 3 – ICT&D Consultation Risks

### 1. Summary and Recommendations

#### Summary

- 1.1 This report seeks approval to consult upon and implement a restructure of the IT Team within Business Services, part of the Finance and Resources Directorate, in line with the proposals contained within this report.
- 1.2 The Council's external auditors, LGA specialist ICT peer support, and various reports have highlighted the need to significantly strengthen the capacity and skills of the team, ensure it is sustainable and can support the future success of the Council and the Children's Company. The proposed structure is underpinned by:
  - detailed job descriptions for all posts which have been evaluated by HR and Trade Unions, and the Senior Management roles assessed by an external trained evaluator from South East Employers.
  - a focus on strengthening project, programme, and portfolio management in the team to create greater visibility of work being undertaken, and a refreshed focus on IT service management best practice linked to the ITIL framework (IT infrastructure library), and SFIA (the Skills Framework for the Information Age, a skills and capability framework used extensively across the IT industry) which has been referenced within the revised job descriptions.

- budget that has already been agreed with Members to improve the state of technology services and build a team capable of progressing all modernisation and remediation works.

## **Recommendations**

### 1.3 Cabinet is recommended to:

- a. endorse the consultation process for the revised structure for the IT Team noting the addition of a number of key posts
- b. note and approve the scope of the restructure which includes the core IT Team (covering all the technology used across the Council and Children's Company) and Digital Team (that focuses on public facing digital services) and note the proposal for the two teams to come together and be known as the ICT & Digital Team and work more closely together to improve public interactions with the Council.

### **Reason:**

- 1.4 The restructure of the IT Team was put on hold during the wider "Our Futures" organisational consultation in 2020 as a result of compelling feedback during that process. This delay has created uncertainty for staff in the team and has increased the need for the use of interim resources. The approach laid out in this report will enable the Council to reset its approach to resourcing ICT & Digital roles in a way that is more sustainable, stabilises the team, increase the capacity to improve services, and will support the Council's recently refreshed Corporate Plan.
- 1.5 Various audits and external reviews have highlighted issues with technology at the Council and Children's Company. The directions from Central Government following the Section 114 being invoked included the need for "An action plan to achieve improvements in the proper functioning of the Authority's IT". This proposed restructure is a significant element of the work required to comply with this direction and help the Council deliver against it.
- 1.6 The DHULC Governance Review issued in October 2021 also highlighted a number of issues with the IT provision with a focus on the need to get the basics right. This included the need to have leaders with significant experience in the areas they lead, having adequate capacity in the team to rectify long-standing issues, delivering services now, and meeting the future ambition of the Council.
- 1.7 The recent, refreshed Corporate Plan references the need for a number of improvements linked to increasing resource and improving skills in the IT Team including:
  - Robust contract management of third-party suppliers and maintaining an accurate procurement pipeline that ensures regulatory compliance
  - Supporting the increasing adoption of hybrid working practices
  - Strengthening the Council's approach to Cyber Security
  - Better engagement with reporting cycles for CLT and members
  - Reducing the reliance on interim staff

- 1.8 The current approach to providing online access to services for residents has also not had the impact the Council was expecting. To-date, the creation and management of digital interactions with residents has been undertaken by a team made up of interim staff only. The group has also had less direction due to the old transformation group being stood down in 2021. The proposed consultation will now seek to establish a team of permanent staff who develop strong relationships with the restructured ICT & Digital Team as well as all council services. They will work collaboratively to create end-to-end customer experiences that meet expectations and are continually improved.
- 1.9 The team is also tasked with progressing the large portfolio of remediation and modernisation work that needs to be completed to help the Council establish a technology infrastructure that is fit for purpose for the future. There are a number of interim roles currently involved in supporting this which is expensive. The new roles and responsibilities proposed in this restructure will strengthen the team's ability to get this done and lower the risks and costs associated with doing it.

## **Commissioner Review**

- 1.10 *"It is essential for any organisation that there is the required IT capacity and capability to enable the efficient and effective delivery of services. Whilst we are content with the proposals in the report, this will need careful monitoring through the implementation stage as there is a significant risk regarding the ability to attract the appropriate staff"*

## **2. Report**

### **Introduction & Background**

- 2.1 As a result of the recent organisational issues at the Council, the poor state of technology and digital services and its impact on operational effectiveness has become increasingly clear to the senior leadership of the organisation. Plans have been created to modernise and remediate the infrastructure across the Council, but this work is at significant risk due to the lack of resource and skills within the current team. The delayed restructure of the team, combined with the worst skills crisis in the technology sector in living memory<sup>1</sup>, and the ability for skilled staff to find alternative employment paying higher salaries and offering more comprehensive career development, makes the situation extremely challenging.
- 2.2 A number of reports have referenced the poor state of technology services as the Council has been undertaking work to recover from its financial challenges. The reports highlighted a need to get the basics right, and to build a plan to get technology services functioning safely and appropriately.
- 2.3 Other assessments have highlighted an urgent need to progress cyber security improvements, improve supplier management, procurement compliance, establish a better approach to disaster recovery, and ensure that technology becomes a driver of efficiency and service improvement for both the Council and service users.

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<sup>1</sup> <https://www.harveynash.co.uk/latest-news/2021-11/Digital-Leadership-Report>

- 2.4 The restructure proposed in this report is a significant step towards reconfiguring the way technology services are managed at the Council and along with good processes, the upskilling of staff, better governance, and greater transparency, it offers the potential to meet the future needs of the Council and Children's Company within a more sustainable operating and resourcing model.
- 2.5 The LGA ICT Peer review undertaken in December 2021 informed the proposed future structure for the ICT & Digital Team. It highlighted the importance of the adoption of standards and good IT architectural principles, the need for the team to have enough resource to be able to quickly adapt to changing circumstances, and to ensure there is a strong focus on skills, capacity, and capability. It also stated the need to have robust governance and portfolio management practices to maintain a strong grip on the priorities and progress of key works.

### **Options considered**

- 2.6 The Council outsourced the technology service as part of the transactional services contract with Arvato in 2013. When the service returned in 2019 it was clear that significant investment would be required on the technology infrastructure at the Council to bring it up to an acceptable standard. The large-scale remediation and modernisation work now being undertaken is in response to this.
- 2.7 Although it is recommended that another wholesale outsource arrangement of this type is avoided, specific specialist pieces of work are likely to be commissioned externally to augment the skills and capacity of the internal team. The principles of only outsourcing what is comprehensively understood, and what can be measured and reported on, and then, only doing so when comprehensive oversight and robust supplier management is put in place, will ensure that similar issues to what was seen with previous outsource arrangements will be avoided.
- 2.8 A further alternative model that has been considered is Service Integration and Management (SIAM). This involves establishing an intelligent client function that sits between external technology suppliers and the organisations receiving services. This is typically only used in very large organisations where it is difficult for one supplier or internal unit to cover all aspects of the service. Slough is not at the scale to justify this approach and even in large organisations the concept has not always been successful. It requires very skilled supplier managers and service delivery managers, as well as robust process and reporting, to be effective.
- 2.9 A predominantly insourced team, supplemented by specialist external expertise when required, remains the most sustainable and cost-effective model to keep control and flexibility during the large-scale changes required at the Council. It is also the approach most likely to meet the needs of the future operating model of the Council. Although the proposed structure and job descriptions are essential to supporting this, there will also need to be:
- the ability for team members to undertake regular professional development to keep their skills current, and improve their professional working practices
  - remuneration that allows the Council to compete in the market for staff at an equivalent level to other local authorities and not-for-profit organisations in the area

## Proposed Structure

2.10 The proposed structure is divided into four areas which are Customer, Core, Control and Digital. However, due to the nature of ICT & Digital services, staff will frequently work in cross-functional teams to achieve organisational outcomes and deliver service. The structure is primarily in place to ensure people have the subject area support they need to be successful as they contribute to cross-functional, and sometimes cross-departmental work. The proposed 51 FTE ICT & Digital roles are spread across the four areas.

### Customer

2.11 Customer is the primary contact point for staff to engage with the ICT & Digital Team. Incidents and requests will be made to the customer channel through the service desk. Projects and opportunities will be initiated via Business Partners who are also in this area. The team is led by the ICT&D Services Manager who is the primary advocate for the wider organisation within the team.

### Control

2.12 Control is a multi-disciplinary area with its own autonomous managers giving an appropriate level of separation. Teams in the other areas will follow the processes, policies and governance set down by Control. The ICT&D Project Management Office (PMO) within Control is managed by the Programme Delivery Manager and maintains a portfolio that aligns to organisational need and works closely with any corporate portfolio management function. The ICT&D PMO will have a current focus on capability, capacity, and resilience as set out in the Corporate Plan. The Enterprise Architect sets the standards for all technology services in use across the Council. The Governance and Security Manager ensures general compliance to all relevant legislation and organisational controls.

### Core

2.13 Core is where technical staff for development and the 2nd and 3rd line support of all applications or systems reside. To manage the large volume of remediation and modernisation work underway this group will need significant capacity in the short/medium term. The Core function will be managed by the Chief Technology Officer (CTO). This is a critical and extensive role and will require a breadth of skills including operational ICT management, architecture, and development. The CTO will collaborate with the Enterprise Architect to establish the ICT & Digital strategy and to drive it forward. The CTO is the most senior technical officer.

### Digital

2.14 Digital is the lead area on work to provide public facing services that help the Council to be more efficient and to ensure residents receive the best possible service. Although this team has a digital focus, it will only be successful if roles across the whole ICT & Digital Team, and across all Council services, collaborate on what is provided.

2.15 All of the elements of the refreshed team can be seen in the proposed structure in Appendix 2.

## Chief Digital & Information Officer (CDIO)

- 2.16 The consultation proposes a new Assistant Director level role, the Chief Digital & Information Officer (CDIO). This role will lead the group of Senior Managers within the ICT & Digital function and will create IT representation at the most senior level within the Council. The CDIO will lead on all technology and digital elements of the Corporate Plan (focused on technology capability, capacity, and resilience) and be the champion for the digital transformation agenda for the Council.
- 2.17 Being positioned at a more senior level, the CDIO will be able to guide, inform and draw together ideas from all areas of the Council. This will allow for a more joined up digital approach to be taken and will benefit the Council by ensuring a focus on delivering on what is truly needed and will have the greatest impact.
- 2.18 As the budget holder for all IT and Digital spend, the CDIO will provide strategic consultancy services for all departments. They will influence (and contribute) to the development of all service delivery plans at a senior level.
- 2.19 This post will lead the ICT & Digital team to its next stage of development to improve support levels and develop increasingly effective ways of working for ICT & Digital Services as more technology is moved to the cloud and especially SaaS (software as a service) based services.

## Comparison

- 2.20 The proposed restructure for Slough has been compared to a similar process being undertaken in another Berkshire unitary authority.
- 2.21 The approach being proposed for Slough compares favourably with the other authority as although the two proposed structures are similar in size (around 50 roles), the other authority has outsourced some elements of its service delivery to third parties. This includes their helpdesk function. This logically means therefore that Slough is proposing to do more than the other authority with the same number of staff. The capability and capacity of the Council to successfully manage with this level of resource will be kept under review and if necessary action will be taken to address any emerging issues

## Timeline

- 2.22 The current proposed timeline for the restructure is challenging and can be seen below:

ACTIVITY	DATE
Proposals discussed with Trade Unions	June 2022
Briefings for affected staff	6 <sup>th</sup> July 2022
Proposals reported to Cabinet for approval to consult	18 <sup>th</sup> Jul 2022
Consultation starts on 27 <sup>th</sup> July 2022 and ends on the 26 <sup>th</sup> August 2022	
One-to-ones between affected staff and line managers	28 <sup>th</sup> Jul – 5 <sup>th</sup> Aug 2022
End of formal consultation period and final date for any formal responses to have been submitted	26 <sup>th</sup> Aug 2022

Formal response to feedback issued to staff, along with final proposals and structure. This will all be confirmed in report from the Interim Chief Digital & Information Officer	31 <sup>st</sup> Aug 2022
Implementation of the outcomes of the consultation	7 <sup>th</sup> Sep 2022
Internal recruitment process begins	7 <sup>th</sup> Sep 2022
Internal Recruitment process ends	30 <sup>th</sup> Sep 2022
Internal and External advertising	3 <sup>rd</sup> – 28 <sup>th</sup> Oct 2022
Applications reviewed, assessed and invitations for interview sent	31 <sup>st</sup> Oct – 4 <sup>th</sup> Nov 2022
Interviews and Assessments	14 <sup>th</sup> – 25 <sup>th</sup> Nov 2022
Offers made	21 <sup>st</sup> – 30 <sup>th</sup> Nov 2022

### 2.23 Points to note:

- recruitment of roles will be prioritised following the consultation based on the most urgent needs, acknowledging that recruitment processes themselves will require significant resource
- the target is to complete recruitment by the end of 2022. However, as stated previously, the market for technology specialists is recognised as being as challenging as it has ever been (linked to the rapid uplift in digital services that was driven by the Covid-19 pandemic). The managers in the team will work closely with HR colleagues to improve the chances of success, but there is a significant risk that the timeline could slip

## 3. Implications of the Recommendation

### Financial Implications

- 3.1 The restructure of the IT Team will result in a higher overall salary cost for the area compared to previous years, but this has been factored into recent financial planning and the costs will remain within budget. The breakdown of staffing costs by team (inclusive of on-costs and calculated at mid points) can be seen below:

Description	Estimated Cost (including on-costs) £'000
CDIO & Perm staff in Control team	850
Perm staff in Core team	988
Perm staff in Customer team	687
Perm staff in Digital team	200
Recruitment costs	50
Transitional interim resource	120
<b>TOTAL</b>	<b>2,895</b>

- 3.2 The budget for resourcing for 2022/23 was agreed at £2,895k. The transition from the current state into the future state, combined with the current challenging market for technical specialists, will require a number of interim roles to be retained. Overall, we still expect to manage the resourcing of the team, including interims, within the £2,895k budget allocation originally envisaged for 2022/23.

While an increase in permanent staff is being proposed, this will be offset as the number and cost of interim staff reduce.

- 3.3 The table below shows the budgeted and projected cost split between permanent and interim staff:

	<b>Budget 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Variance 2022/23 £'000</b>
Permanent staff (incl. on costs)	2,395	1,417	(978)
Interim staff	500	1,428	928
Other staff costs	0	50	50
<b>TOTAL</b>	<b>2,895</b>	<b>2,895</b>	<b>0</b>

### Legal Implications

- 3.4 The Council has a policy on managing organisational change which guards against the risks of any unfair dismissal claims should any dismissals result from the proposed changes. The risk of dismissal is low as there are more jobs in the new structure than there are staff currently in post.
- 3.5 If any of the posts are awarded a salary of over £100,000 this will need to be approved by full Council.

### Risk Management Implications

- 3.6 Summary of risks (Refer to Appendix 3 for full details)

<b>Risk/Opportunity</b>	<b>Controls</b>	<b>Residual Risk Score</b>
<p>There is a risk that the current market for technical and specialist skills will prevent the Council recruiting to a number of key positions in the ICT&amp;D team.</p> <p>This could lead to an inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues.</p>	<p>1) After initial attempts to recruit business cases will be put forward for the use of market forces adjustments where required</p> <p>2) Options for specific pieces of work to be commissioned from 3rd party suppliers will be considered if required</p> <p>3) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive</p>	<b>10 - AMBER</b>
<p>There is a risk that the processes required for a fully compliant consultation and recruitment will mean that some staff will not be in post until early in 2023.</p> <p>This could lead to an inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues.</p>	<p>1) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive</p> <p>2) Options for specific pieces of work to be commissioned from 3rd party suppliers will be considered if required</p>	<b>8 - AMBER</b>
<p>There is a risk that the proposed structure may not be accepted by all staff leading to further attrition of people with long-term institutional knowledge</p> <p>This could lead to a greater risk of disruption to services and infrastructure.</p>	<p>1) Ensure that staff are aware that the consultation is credible, and changes can be made based on logical feedback that supports the best outcome for the Council</p> <p>2) Seek opportunities for knowledge transfer from any staff considering exit</p>	<b>9 - AMBER</b>

### **Environmental implications**

- 3.7 There are no specific environmental implications arising directly from this report.

### **Equality implications**

- 3.8 An equality impact assessment has been undertaken for this restructure and this will be kept under review throughout the consultation process. As all roles have been matched to the proposed new structure, the impact is minor for all 17 permanent staff.
- 3.9 The recruitment process will be undertaken to ensure equality of access and non-discrimination.
- 3.10 Any contractor involved in supporting recruitment will do so on the basis that they are knowledgeable and have a comprehensive understanding of the Equality Act duties.

### **Procurement implications**

- 3.11 There are no specific procurement implications arising directly from this report.

### **Workforce implications**

- 3.12 There are minor implications for the current workforce who will be put through the consultation process. The proposed structure has significant differences to the current one but does provide an opportunity for team members to be clearer on their role and also creates the opportunity for them to apply for one of the newly created roles. The new structure should be considered a positive step as it is designed to grow capacity and increase the skills within the team.
- 3.13 All posts have been evaluated and allocated to a Slough BC grade. Any job offers will be made on the basis of Slough BC terms and conditions. It is proposed that staff who are matched to a new post and have transferred under TUPE to Slough BC will move to Slough BC terms and conditions. This will be discussed with any staff in that position during the consultation process, if requested.

### **Property implications**

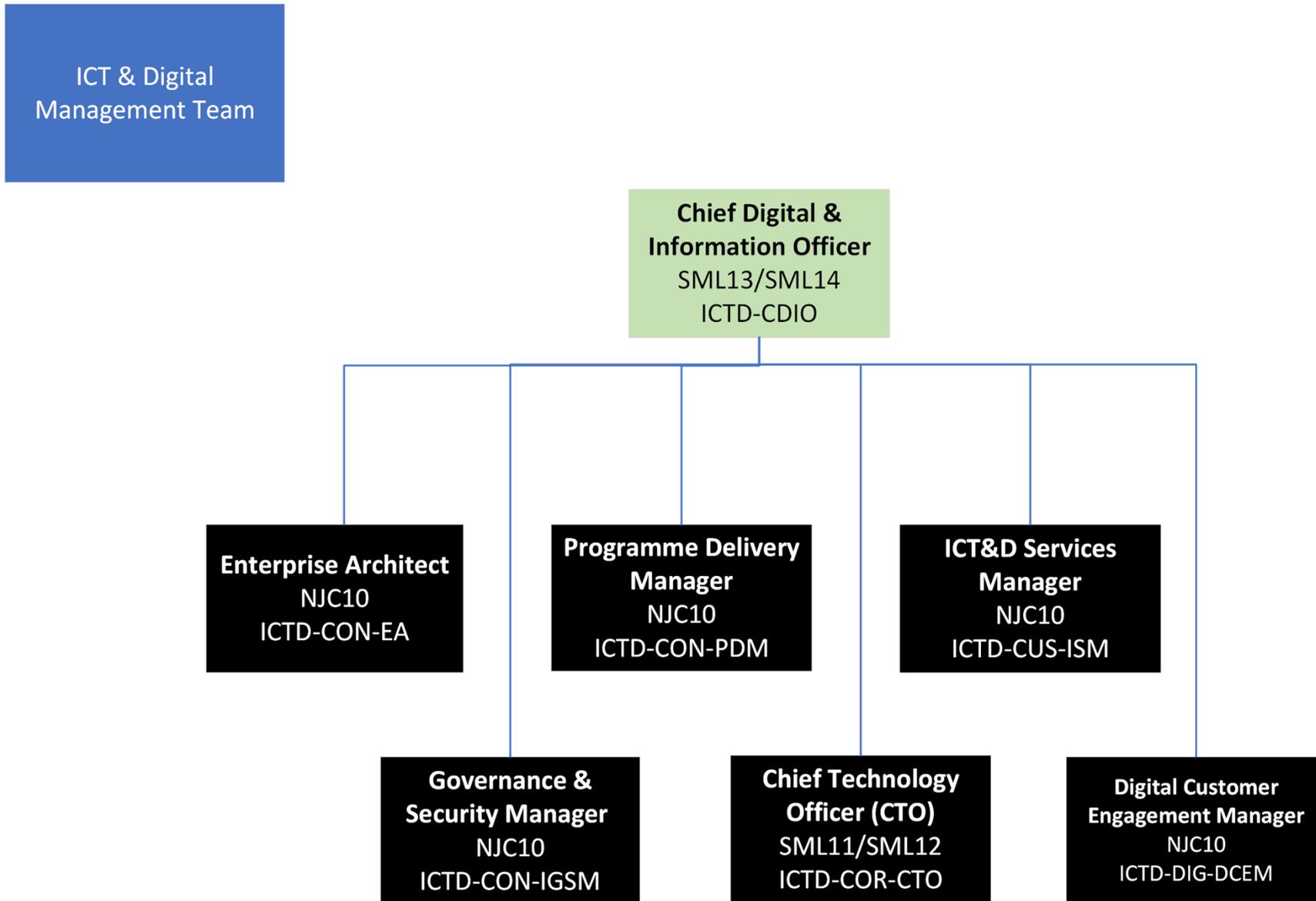
- 3.14 This proposal has no direct implication on properties. There may be some collateral implications depending on the ability to recruit local people to undertake the roles. A more hybrid approach may require less property.

## **4. Background Papers**

- 4.1 None

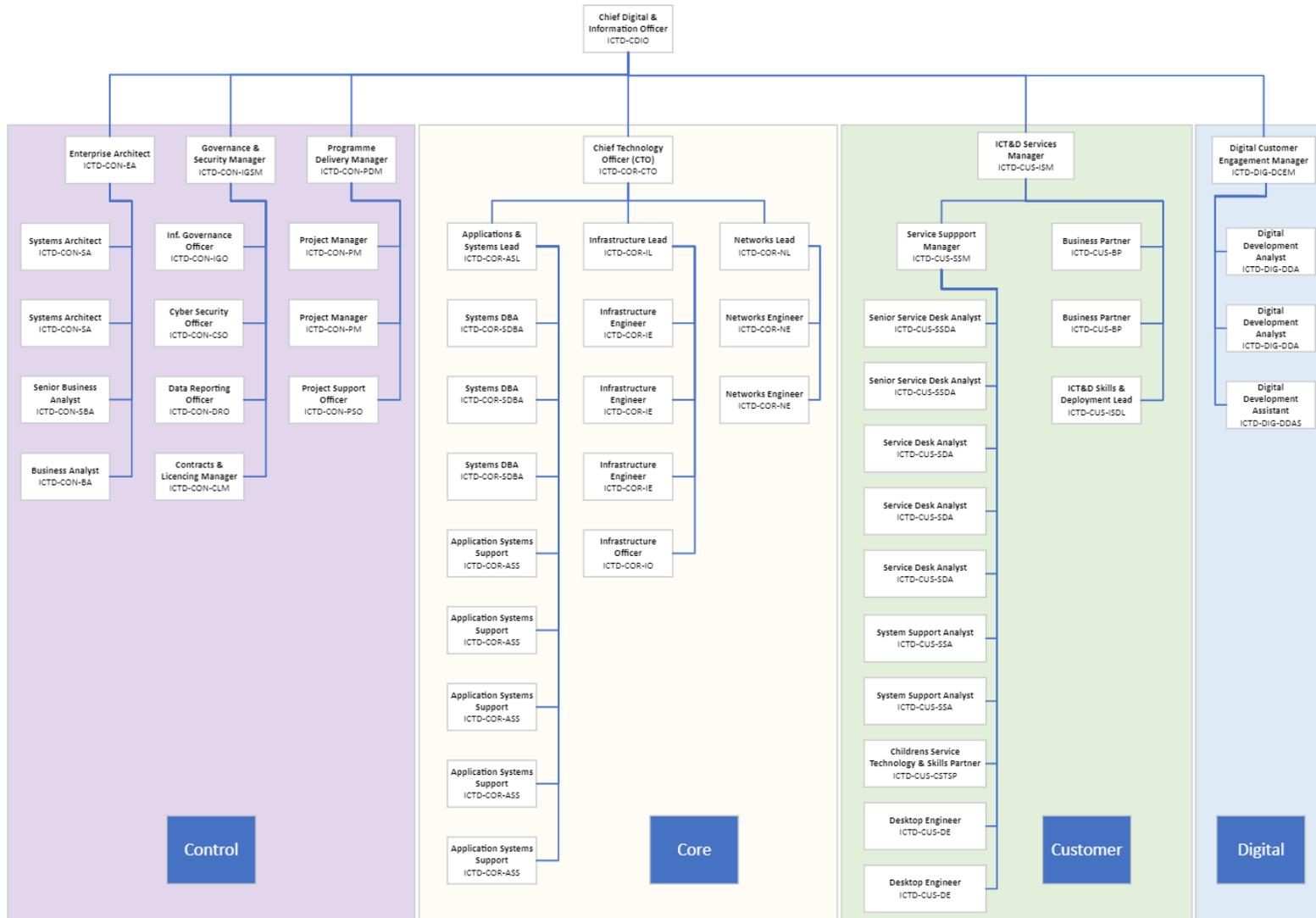


## Appendix 2 – Proposed ICT & Digital Team Structure



# Appendix 2 – Proposed ICT & Digital Team Structure

## Whole Team



### Appendix 3 – ICT&D Consultation Risks

Risk Description	Likelihood	Impact	Risk Level	Owner	Mitigation	Residual Likelihood	Residual Impact	Residual Risk	Treatment
<p>There is a risk that the current market for technical and specialist skills will prevent the Council recruiting to a number of key positions in the ICT&amp;D team</p> <p>CAUSE: All roles in the ICT&amp;D team need to be recruited for the team to be fully effective            EVENT: Unable to recruit to key roles            EFFECT: Inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues</p>	6	2	12	CDIO	1) After initial attempts to recruit business cases will be put forward for the use of market forces adjustments where required 2) Options for specific pieces of work to be commissioned from 3 <sup>rd</sup> party suppliers will be considered if required 3) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive	5	2	10	Reduce
<p>There is a risk that the processes required for a fully compliant consultation and recruitment will mean that some staff will not be in post until early in 2023</p> <p>CAUSE: The ICT&amp;D Team requires capability and skills to progress a large portfolio of work            EVENT: The consultation and recruitment processes to bring in new team members take longer than expected            EFFECT: Inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues</p>	5	2	10	CDIO	1) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive 2) Options for specific pieces of work to be commissioned from 3 <sup>rd</sup> party suppliers will be considered if required	4	2	8	Reduce
<p>There is a risk that the proposed structure may not be accepted by all staff leading to further attrition of people with long-term institutional knowledge</p> <p>CAUSE: There are now a relatively small number of ICT&amp;D staff who have knowledge of the current infrastructure and services            EVENT: The consultation process is not well received, and staff leave            EFFECT: Greater risk of disruption to services and infrastructure as a result of key people leaving</p>	4	3	12	CDIO	1) Ensure that staff are aware that the consultation is credible, and changes can be made based on logical feedback that supports the best outcome for the Council 2) Seek opportunities for knowledge transfer from any staff considering exit	3	3	9	Reduce

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**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	18 <sup>th</sup> July 2022
<b>SUBJECT:</b>	Procurement of an Integrated Substance Misuse Recovery and Treatment services including Shared Care
<b>PORTFOLIO:</b>	Cllr Natasa Pantelic, Social Care and Public Health Cllr Christine Hulme, Children's Services, Lifelong Learning & Skills
<b>CHIEF OFFICER:</b>	Marc Gadsby, Acting Executive Director People (Adults)
<b>CONTACT OFFICER:</b>	Jane Senior, Associate Director People Strategy and Commissioning Avtar Maan, Group Manager People Strategy
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	YES
<b>EXEMPT:</b>	Part Exempt – Appendices 1, 2 and 3 are exempt as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
<b>DECISION SUBJECT TO CALL IN:</b>	YES
<b>APPENDICES:</b>	Appendix 1 EXEMPT– Overview of current substance misuse services in Slough Appendix 2 EXEMPT - Funding Appendix 3 EXEMPT – Legal and Financial Implications continued Appendix 4 – Overview of targets Appendix 5 – Equalities Impact Assessment

## 1 Summary and Recommendations

### 1.1 This report seeks approval to

1. Progress the procurement of an Integrated Substance Misuse Treatment Services which will commence on 1 April 2023. This will be procured as two lots.

- Lot One: Integrated Adults and Young Peoples' Substance Misuse Treatment Services for a 9-year contract (a five-year contract plus two extension periods of two years each subject to funding and good performance).
- Lot Two: Rough sleepers' substance misuse outreach service for 2 years (12 months plus 12 months extension subject to continuation of grant funding and good performance).
- Lot One will include provision for a Lead Provider, who will have responsibility for coordinating services contained in both Lot One and Lot Two provision.
- Award contracts by direct award to Turning Point and Farnham Road Shared GP Practice for a time limited period from 1<sup>st</sup> August 2022 until to 31<sup>st</sup> March 2023. This will be at a value outlined in Appendix 2. Award of contracts to these providers is a condition of receiving additional funding from Central Government. The funding will be used to increase the numbers in treatment and to improve the quality of provision, and to develop a rough sleepers' drugs and alcohol treatment service.

### **Recommendations:**

Cabinet is requested to:

1. To note approval for award is required to ensure continuity of care and to avoid disruption of services whilst providing sufficient time to align all procurement activities relating to substance misuse treatment and recovery.
2. Approve the procurement of an Integrated Adult and Young Peoples' Substance Misuse service (Lot 1) for a nine-year period (five-year contract plus two extension periods of two-year from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2031 to the maximum value of £11.5m. This will be funded through Public Health Grant and will replace several existing services set out at Exempt Appendix 1.
3. Approve the procurement of rough sleepers' substance misuse outreach service (Lot 2) for a contract (12 months plus 12 months extension) from 1<sup>st</sup> April 2023 – 30<sup>th</sup> June 2025, this will be funded as detailed in Exempt Appendix 2.
4. Note that the procurement model described in this report is reflective of the various funding streams available for services and is designed to minimise the financial risk to the Council should funding be reduced or withdrawn.
5. Note that a report concerning the new delivery model for an Integrated Substance Misuse Service is intended to be presented to People Scrutiny Panel in June 2022.
6. Agree that a report concerning contract award for the Integrated Substance Misuse Service will be presented to Cabinet in December 2022
7. Delegate authority to the Executive Director for People (Adults), in consultation with the Lead Member for Social Care and Public Health, to have oversight of the procurement process.

8. Approve a direct contract award to Turning Point to deliver additional services from 1<sup>st</sup> August 2022 – 31<sup>st</sup> March 2023. This will be at the value of outlined in Exempt Appendix 2
9. Approve a direct contract award to Farnham Road Surgery to deliver additional clinical services from 1<sup>st</sup> August 2022 – 31<sup>st</sup> March 2023. This will be at the value of outlined in Exempt Appendix 2
10. Approve the granting of a lease and any supplemental document(s) of Elliman Resource Unit 27 Pursers Court Slough SL2 5DL to Turning Point for a term of one year commencing 1 April 2022. Further information is contained in Exempt Appendix 2
11. Approve the grant of a lease and any supplemental document(s) of Elliman Resource Unit 27 Pursers Court Slough SL2 5DL to the new provider for a minimum term of 5 years commencing 1 April 2023. Further information is contained in Exempt Appendix 2
12. Delegate authority to the Executive Director of Resources and Executive Director of Place & Community to finalise terms and execute the lease and supplemental documentation of the above property to the tenant/provider.

**Reason:**

To provide authority to award contracts to existing providers Turning Point and Farnham Road Surgery to expand existing substance misuse provision for a time limited period. This will be to increase the number in treatment and to improve the quality of provision, and to develop a rough sleepers' drugs and alcohol treatment service. Also, to provide authority to procure a new Integrated Substance Misuse Service and to award contracts to existing providers for time limited period. This will be in keeping with the new National Drugs Strategy, From Harm to Hope; A 10-year drugs plan to cut crime and save lives.

**Commissioner Review**

*"The Commissioners are content with this report."*

**2 Report**

**Introductory Paragraph**

This report sets out recommendations to directly award contracts to existing providers to expand and improve existing substance misuse provision, including rough sleepers through grant funding. Also, to procure a new Integrated Substance Misuse service in place of existing provision, so that this is in place once the existing (and expanded) contracts expire in March 2023.

The purpose of expanding and then remodelling substance misuse provision is to support the key priorities contained within the new ten-year drugs strategy, From Harm to Hope; a 10-year drugs plan to cut crime and save lives.

These include:

- Increasing the number and quality of treatment places
- Strengthening workforce skills
- Decreasing drug and alcohol related deaths
- Decreasing associated crimes such as burglary, robbery and theft
- Increasing treatment places for rough sleepers and/or those at risk of rough sleeping
- Increasing treatment places for every offender
- More people recovering from addiction in sustained employment
- More people recovering from addiction in stable and secure housing

The government has set aside £293M funding over the next three years for this purpose.

The Strategy emerged following the Independent Review Concerning Drugs: Prevention, Treatment and Recovery undertaken and concluded by Dame Carol Black in July 2021. The Independent Review found that disinvestment in substance misuse service over a number of years had led to:

- An increase in drug related deaths
- A reduction in the workforce with a sufficient skill set to address the complex needs of the substance misuse population
- A reduction in the effectiveness of substance misuse treatment services
- An increase in caseloads for services
- Increase in acquisitive crime being delated to drugs.

To ensure the delivery of the aims set out within the ten-year strategy, a new national commissioning quality standard is being introduced. This will ensure that local partnership is held to account in respect of increasing transparency, ensuring consistency, and promoting effective joint working. It is proposed that the implementation of the new national commissioning quality standard is monitored through the Health and Social Care Partnership Board.

The provision of drug and alcohol treatment and recovery services meets the following Council priorities and objectives:

### **Slough Health and Wellbeing Strategy**

Priority one – Starting Well: Improve the health and wellbeing of young people in Slough.

Priority two – (a) Increase life expectancy in Slough and (b) Increase the number of people who are managing their own care and support needs

### **Slough Recovery Plan**

#### Leadership and Culture

- Decisions are based upon data and evidence
- The organisation is transparent and openly and actively engages with the public and partners to inform decision-making

#### Governance

- Evidence led decision making
- Develop and enhance performance reporting outlines areas for improvement and best practice

Citizen Service standards and performance

- Provide a good level of service to residents and businesses
- Contribute to the customer engagement excellence programme

**Slough Corporate Plan**

- An environment that helps residents live more independent, healthier and safer lives

Substance misuse causes impact on the level of crime, antisocial behaviour, and safety, as well as increasing pressure on health and social care services. Through proactive engagement to identify substance misuse needs, and through improved access to good quality treatment, the harm caused can be reduced to create healthier and safer lives.

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

The evidence shows us that alcohol and drug treatment provides value for money. Treatment is associated with immediate and long-term savings to the public purse, e.g., every £1 spent on drug treatment, saves £2.50 for tax payers in reducing the cost of crime, health and social care. This is a service based on prevention and reducing harm. The long-term effects of having a service like this will promote healthy and positive lifestyle choices. (<https://www.ndtms.net/ValueForMoney.aspx>).

**1. Options considered:**

<b>Option</b>	<b>Pros</b>	<b>Cons</b>
<p><b>Option 1</b> Do not expand existing provision to take account of additional funding, and do not approve the procurement of an integrated substance misuse service.</p>	<p>Reduces pressure on officer time</p>	<p>The contract extension for existing services will expire on 31<sup>st</sup> March 2023. This will leave our residents without help and support to reduce their drug and alcohol use thereby increasing their ill-health.</p> <p>The new National Drug Strategy comes with an expectation that authorities will maintain their 20/21 investment in drug and alcohol treatment services and prioritise system quality and stability.</p> <p>As the service is funded from the ring-fenced Public Health Grant, the funds for these services may have to be returned. Likewise, any</p>

Option	Pros	Cons
		<p>additional funds that have been specifically awarded.</p> <p>We will not be eligible to receive additional funds arising from the increased investment linked to the crime and drug strategy.</p> <p>Reputational risk to the organisation.</p> <p>In addition, the National Commissioning Quality Standard will include a reporting of financial investment in treatment services be maintained at 2020/21 levels.</p> <p>Increased levels of harm relating to substance misused due to the absence of treatment. This will place pressure on health, social care and crime</p>
<p><b>Option 2</b> Issue a further 1 year contract extension to align procurement activity with the expiration of the additional funds.</p>	<p>Reduces officers time in a re-commissioning process</p> <p>Allows for sufficient time to define a service aligned to the new drug strategy.</p>	<p>Unnecessary protracted commissioning approach that destabilises the service provider.</p> <p>Limited options to develop the aims of the new drug strategy.</p> <p>Not good practice or in keeping with contract procedure rules.</p> <p>Does not provide opportunity for competition.</p>
<p><b>Option 3</b> Approve a shorter contract duration for the integrated substance misuse service</p>	<p>Installs a sense of safety for the authority should a provider not perform as expected (this is negated with effective contract management and a strong delivery plan)</p> <p>Contract is for longer than initial funding period.</p>	<p>Enables the provider to work over the long term so that together we can enact the new 10 year strategy and create behaviour change with improved outcomes for local residents.</p>

Option	Pros	Cons
		<p>The additional funds will strengthen our local services, reduce harm and save lives but the plans need time to embed and create a new culture of service delivery. This can be achieved within a strong and lasting partnership approach</p> <p>The National Commissioning Quality Standard seeks to stabilise treatment provision and to engage in competitive tendering only when local improvement needs to be made</p>
<p>Option 4</p> <p>Approve</p> <ol style="list-style-type: none"> <li>1. The recommissioning of the substance misuse and treatment service under two lots to minimise the financial risk to the Council</li> <li>2. Direct award to the existing provider, Turning Point and Farnham Road the in-year (2022/2023) additional funds</li> </ol> <p><b>Recommended Option</b></p>	<p>We install stability in the system that allows partnerships to develop and flourish thus delivering on the 10 year strategy. Consequently, this will benefit of our residents who require help and support to reduce their risky behaviour.</p> <p>Supports the ambitions of the Crime and Drugs Strategy to strengthen existing arrangements for substance misuse provision.</p> <p>Allows for an efficient implementation to maximise the use of additional funds whilst supporting competitive procurement over the longer term.</p> <p>Supports long term funding of drugs and alcohol services from the ring-fenced Public Health grant.</p>	<p>Provides limited options to withdraw from the contract should performance not be satisfactory.</p> <p>There is uncertainty of long term ring-fenced public health grant. (see risk table at section 3.3 below)</p>

Option	Pros	Cons
	<p>Assurance that any additional funds have time to embed and strengthen.</p> <p>Allows an effective supplier relationship management approach to be established with the contract being robustly managed.</p>	

## Background

- 1.1 Public Health England 2021/22 Drug Information Pack estimates that the number of opiate and/or crack cocaine users in Slough is 1,284, and this ranks Slough with one of the highest levels of opiate and/or crack cocaine use amongst people aged 15-64 years in the Southeast.
- 1.2 Local data taken from the National Drug Treatment Monitoring System (NDTMS) shows an increase in the number of clients aged 50+ over the last 5 years; from 19% (n105) in 2015/16 to 23% (n119) in 2019/20 across all substances. There is a pattern of an ageing substance misusing population with significant health and social care needs. 64% of adults seeking treatment relates to opiates, which remains the largest substance group.
- 1.3 Based on the Office for National Statistics ('ONS') mid-year population estimates, the proportion of people in Slough who are dependent on opiates and/or crack cocaine or and not in treatment is 58% (745 estimated people not in treatment from a total of 1,284). The national average of unmet need for people who are dependent on opiate and / or crack cocaine, but who are not in treatment is 47%, evidencing the need for continued investment in substance misuse treatment.  
<https://publichealthmatters.blog.gov.uk/2016/07/25/tools-for-assessing-value-for-money-for-alcohol-and-drug-treatment/>
- 1.4 The estimated unmet need rate for 2018/19 shows that 86.1% dependent drinkers were not in treatment in Slough, compared to 82.3% regionally and 82.4% nationally. The local estimate is 1,266 users, compared to 486,426 nationally (<https://www.ndtms.net/ValueForMoney.aspx>).
- 2.5 The procurement for the existing Substance Misuse and Recovery Services were commissioned during 2016. The services went live 1st April 2017, for a period of 3 years plus two extension period of one year each. A further extension period of one year was approved at Cabinet in January 2022 under Regulation 72(1) (c), The Public Contracts Regulations 2015 (PCR), to enable a full procurement to be completed by March 2023.
- 2.6 The services that make up the current substance misuse treatment services in Slough are:
  - Adult and young peoples' substance misuse treatment and recovery

- Clinical Prescribing Service
- GP Shared Care
- Pharmacy Needle Exchange
- Pharmacy Supervised Consumption
- Supply of needle exchange and hazardous waste

Further details concerning services are set out in Exempt Appendix 1.

2.7 The new integrated substance misuse service will bring together all provisions into a single service through a lead provider model. The lead provider will be part of Lot 1 services and will be responsible for the delivery of both Lot 1 and Lot 2, either through subcontracting services or inhouse provision.

### Stakeholder Engagement

2.8 Market engagement: an on-line market engagement event was carried out to assess the market conditions and readiness for a revised service specification during October 2021. A range of providers and partners involved in substance misuse treatment, prevention, and recovery attended, indicating a competitive and active market. Several different commissioning models was presented to inform the final specification, with a preference for a Lead Provider model

2.9 Stakeholder engagement with statutory partners (criminal justice, health, social care) and the voluntary sector took place in October 2021 and will also be undertaken in July 2022. Feedback from stakeholders identified the following areas of improvement:

- Improve information sharing, multi-agency partnership working
- Address gaps in mental health support and outreach
- Provide more joint training for partners to raise awareness and referral pathways
- Enhanced staff retention and recruitment
- Better communication and flexibility

2.10 Service User Engagement: service user engagement took place in October 2021 and took the form of paper-based survey and an on-line questionnaire. Feedback from service users highlighted the following gaps and need for improvement in the following areas:

- More workforce development and training
- Mental health support and interventions
- Improved communication amongst partners – health, social care and criminal justice
- Evening appointments and a flexible scripting pathway
- Reduced waiting times and more opportunities face to face appointments.

### 2.11 Specification and outline model

The specification will outline the key deliverables and outcomes expected from the investment to improve substance misuse treatment outcomes for the residents of Slough. Bidders will be expected to submit a model outlining how the targets, outcomes and key deliverables outlined in the specification will be met.

Lot One Integrated Adults and Young Peoples' Substance Misuse service:

This will be provided as follows

- An integrated substance misuse service for adults and young people – **delivered by a Lead Provider.**
- In addition, the Lead Provider is expected to oversee the provision of treatment and recovery pathways, subcontracting as appropriate the following
  - Clinical Prescribing Service
  - Shared Care
  - Pharmacy Needle Exchange and Supervised Consumption
  - Needle Exchange & Waste Collection

The Specification also states the following responsibilities for the Lead Provider

- The delivery of a high-quality integrated substance misuse treatment and recovery service
- Personalised approach to treatment that offers choice of a range of interventions to enable recovery from the harm caused by substance misuse
- Develop pathways to identify and manage complex cases
- Work with partner agencies to improve outcomes around safeguarding (children, young people, adults and mental health, housing needs)
- Ensure connections with local partner agencies to promote recovery, including step down, access to housing, education, employment, and training
- Manage access to residential detoxification and rehabilitation via a panel made up of Key Workers Slough Commissioners and GP Clinical Lead
- Meeting the needs for substance misuse service users and their families
- Ensuring services are provided/subcontracted within agreed budgets
- Workforce development and service user engagement in developing services
- Performance management and governance

2.12 Core elements of the model (Lot 1)

Area	Core Services /interventions	Extra value added
<p>An integrated substance misuse service for adults and young people (delivered separately from adults)</p>	<p><b>Access to treatment</b></p> <ul style="list-style-type: none"> <li>• Referrals self, walk in, online and from other agencies for example Pregnancy referrals to Hospital</li> <li>• Medical Interventions &amp; Clinics</li> <li>• Medical reviews</li> <li>• BBV Screening</li> <li>• Assessments &amp; audits</li> <li>• Safeguarding – Children and Adults</li> <li>• Family Support</li> <li>• Parent Assessments Individual key working</li> <li>• Integrated Offender Management and in reach to prisons for continuity of care</li> <li>• Targeted workers to support joint work with Children and Family Services and the Violence Against Women and Girls (VAWG) partnership</li> <li>• Detox and rehabilitation placements</li> <li>• Young People/Under 18's</li> <li>• Needle Exchange programme</li> <li>• Safe Storage distribution</li> <li>• Naloxone/Pabrinex</li> <li>• Recovery support</li> <li>• Hospital visits</li> <li>• Probation Assessments</li> <li>• Required Assessments</li> <li>• Custody Referrals</li> <li>• Group sessions</li> </ul> <p><b>Prevention</b></p> <ul style="list-style-type: none"> <li>• Domestic Abuse Support/referrals</li> <li>• Mental Health interventions and support</li> <li>• Criminal Justice Meetings</li> <li>• Outreach, Night reach for rough sleepers/street workers and hard to engage with communities</li> <li>• Prison Visits /Leavers</li> <li>• Criminal Justice Clients on Court orders.</li> <li>• Referrals to Counselling</li> <li>• Safeguarding</li> <li>• Aftercare</li> </ul>	<ul style="list-style-type: none"> <li>• Joint working with Criminal Justice Services such as Police, Court and Probation</li> <li>• Joint Multi-agency working and representation for Slough at <ul style="list-style-type: none"> <li>○ Berkshire Drug Related Deaths Panel</li> <li>○ Safeguarding Panels</li> <li>○ Regional meeting</li> </ul> </li> <li>• Health checks</li> <li>• Referral onwards to other professionals</li> <li>• Partnership working and aftercare signposting</li> <li>• Group sessions and peer support</li> <li>• Employment Support</li> <li>• Housing Support</li> <li>• Substance Misuse Training</li> <li>• Substance Misuse awareness promotions</li> <li>• Smoking cessation referrals</li> <li>• Reports to professionals</li> <li>• Data reporting/case studies</li> <li>• Expanding digitalisation and virtual offer where appropriate</li> <li>• Expanding user group involvement in redesigning services</li> <li>• Broadening women's wellness offer</li> <li>• Options to deliver general practice services specific to substance misuse issues</li> </ul>

	<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Joint multiagency working</li> <li>• Attending Meetings with Social Services for Child Protection, Child in Need, Looked After Children cases</li> <li>• School visits</li> <li>• Drug &amp; Alcohol Awareness sessions.</li> <li>• Promoting the service at local events.</li> <li>• Monitoring tools.</li> </ul>	
<p>Clinical Prescribing (<u>provided by Lead Provider or sub-contracted</u>)</p>	<ul style="list-style-type: none"> <li>• Clinics: Medical reviews/New clients</li> <li>• Prescribing Medication</li> <li>• Health reviews</li> <li>• Safeguarding</li> <li>• Phone calls to professionals and clients</li> <li>• Timely communication and information exchange with other professionals</li> <li>• Emails to professionals</li> <li>• Professional meetings with other services</li> <li>• Shared Care Provision clinics</li> <li>• Psychiatry Clinics (Number of referrals, assessments, sessions and discharges.</li> <li>• Data and reports</li> <li>• Royal College of General Practitioners Training</li> </ul>	<ul style="list-style-type: none"> <li>• Service Users reintegrating into the community.</li> <li>• Psychology services</li> </ul>
<p>Shared Care Pharmacies (<u>sub contracted by Lead Provider</u>)</p>	<ul style="list-style-type: none"> <li>• Monitor Pharmacy outcomes</li> <li>• Supervised Consumption Charges</li> <li>• Needle Exchange Charges</li> <li>• Processing invoices</li> <li>• General enquires</li> <li>• Renewal of contracts</li> <li>• Training as and when needed</li> </ul>	<ul style="list-style-type: none"> <li>• Service User Health &amp; Safety advice and guidance</li> </ul>
<p>Needle Exchange &amp; Waste (<u>sub contracted by Lead Provider</u>)</p>	<ul style="list-style-type: none"> <li>• Needle Exchange Supplies</li> <li>• Needle Exchange Training</li> <li>• Waste Pick up collection breakdown.</li> <li>• Stock ordering breakdown</li> <li>• Disposal charges</li> <li>• Regular communication with the pharmacies.</li> <li>• General enquires</li> </ul>	

## Lot 2 Rough Sleepers Substance Misuse Treatment Outreach Service

2.13 The purpose of this lot is to:

- a) ensure that the engagement that people have had with drug and alcohol treatment services whilst in temporary accommodation is maintained as they move into longer term accommodation (continuity of care);
- b) support people to access, and engage in, drug and alcohol treatment who have not yet done so (access and engagement);
- c) build resilience and capacity in **local drug and alcohol treatment systems** to continue to meet the needs of this population in future years (resilient and sustainable models of care).

The allocation of funds for drug and alcohol treatment is based on data returned by the local authorities. Key to the submission of the bid was partnership engagement, and the bid has been coproduced and countersigned by the existing treatment provider. Due to the timetable for submission of grant bids and notification, there is insufficient time to undertake competitive procurement, therefore a dual approach is proposed - the existing treatment providers will be awarded a short-term contract until 31<sup>st</sup> March 2023 to deliver this service until procurement can take effect. This will ensure

- Implementation of an agreed model to provide targeted support to a vulnerable group of local residents with complex needs - this model has been coproduced with the current provider with a shared ambition to minimise the harms caused by substance misuse.
- Timely implementation – there is little option to carry forward any underspends due to late implementation
- Continuity of service based on need
- Access to wider clinical oversight, support, and on-going recovery support without excessive overhead costs. This provides a cost-effective solution to maximises best value

2.14 The specification will outline the key deliverables and outcomes expected from the investment to improve substance misuse treatment outcomes for rough sleepers. Bidders will be expected to submit a model outlining how targets, outcomes and key deliverables outlined in the specification will be met. Key areas in the specification will outline Provider responsibilities regarding

- 1) Outreach: must deliver an effective outreach service, at unsocial hours (regular early mornings/ late evenings), (alongside partner agencies where necessary) to those who are rough sleeping in the Borough.
- 2) Thresholds and Eligibility: Anyone who is rough sleeping in the Borough, with a drug and alcohol dependence, who has been verified as rough sleeping or at risk of homelessness by the Rough Sleeping Outreach Service by Slough Council Housing Team. This includes
  - Referrals from the Slough Homelessness Outreach team
  - People who are rough sleeping with a local connection to Slough

- People who are 18 plus years
  - Individuals with no recourse to public fund are entitled to access including refugees and asylum seekers
- 3) Access to Services: must ensure access is appropriate and timely, for example be present and offer interventions early in the morning, evenings and weekends.
- 4) Engagement and Treatment: Those who are rough sleeping/ have rough slept suffer complex trauma, such as violence, abuse or loss as well as both mental health and substance/ alcohol use issues that mainstream services are not always equipped to deal with effectively. The Provider must
- Provide a high quality, accessible psychological service for those experiencing rough sleeping.
  - Establish and build strong effective relationships with those rough sleeping.
  - Support those rough sleeping to build trust in services and professionals, allowing them to be linked in with mainstream services.
  - Oversee and manage a caseload of those who rough sleep, many of whom will have multiple complex needs.
  - Continue to assess new people / those at risk of rough sleeping throughout the contract term.
  - Provide a comprehensive assessment to every individual who is rough sleeping to fully understand their needs, alongside an action plan to address how their unmet needs will be met.
  - Provide access to inpatient detox / rehab and post-continuity of care.
- 5) Health Services: The Provider must provide general healthcare services such as Blood Borne Virus testing, vaccinations & rapid access to treatment (linked to Lot One). In addition, the Provider must
- Be flexible to the individual to ensure they engage with treatment and offer access to clinical prescribing.
  - Identify substance misuse and mental ill health and to offer therapeutic support to address this.
  - Provide treatment and interventions for those rough sleeping with multiple complex issues who may be isolated or withdrawn.

### Technical and commercial weighting

2.15 It is recommended that the evaluation for the procurement of the contract uses a 50% price and 50% quality weighting to ensure the delivery of quality services. As part of the open tender there will be a Qualification stage and only those tenderers who pass all aspects of this will have their quality and price submissions evaluated. The tenderer who submits the lowest price will be awarded the full 50% available.

### Contract management arrangements and notice periods

2.16 Performance against the contract will be measured against high level performance objectives, consisting of clearly defined targets by the Slough Substance Misuse Partnership, and Office of Health Inequalities and Disparities. Targets will be reviewed annually and benchmarked against regional and national comparators to reflect changes in trends, strategy and performance.

- 2.17 These Key Performance Indicators will evidence minimum standards around Services' delivery and monitor the provision of an inclusive service with the full breadth of interventions available. Contract performance will be assessed via quarterly monitoring meetings. As the contract progresses, further monitoring requirements will be developed with the successful provider as changing needs will need to be addressed.
- 2.18 There will be clauses in the contract terms and conditions covering breaches in performance. These will relate to a number of factors including critical performance defaults and non-critical performance defaults. Remedies include warnings, withholding of payments or part-payments. The contract will also include a clause relating to the additional funds, meaning should funding be pulled during the term of this contract; the council are able to reduce the value or terminate services within 6 months' notice

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.1 Starting this year 2022/23, the Department of Health and Social Care has made it a condition of the Public Health Grant that a local authority must "have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services, based on an assessment of local need and a plan which has been developed with local health and criminal justice partners".
- 3.1.2 Part of the conditions set out for additional funding awarded through the national ten-year strategy is a commitment and assurance required from all local authorities to maintain its treatment funding in line with the 2020/2021 baseline.
- 3.1.3 The funding of the substance misuse treatment and recovery service will be from several different ring fenced- grant sources. As such, each grant source may have a different duration, and this will be clearly communicated during the re-procurement.
- Annual Public Health Grant allocation Existing annual allocation
  - Supplementary Substance Misuse (New) -Annual allocation

Further years funding allocation is detailed in Appendix 2

#### **Constraints**

- 3.1.4 Local areas will be awarded additional funds to aid the implementation of the new national strategy, but these will be dependent upon maintaining local investment as mentioned above.
- 3.1.5 Assurance will be required from local areas that any additional grants awarded to the local authority is ring fenced and is in line with agreed expenditure to achieve the ambitions of the ten-year strategy.
- 3.1.6 Additional funding streams outlined in Exempt Appendix 2 has been announced for 22/23 and 23/24 of the 10-year plan.

#### **Recommendation**

- 3.1.7 It is recommended that steps be taken to implement the proposed property lease arrangements set out in Exempt Appendix 2.
- 3.1.8 When re-procuring the Substance Misuse and Treatment Service, flexibility will be built into the contract to enable adjustment to the level of service in response to any potential change to the grants received by the council (e.g. reduction or cessation) which would impact the council's ability to fund the service.
- 3.1.9 The re-procurement of the new service will be funded as shown in Exempt Appendix 2. These funds can only be used in addition to drugs and alcohol service provision as declared in the 2020/21 Public Health grant funding report so that access to services is increased.

## 3.2 Legal implications

- 3.2.1 Under the Health and Social Care Act (2012) local authorities have a duty to reduce health inequalities and improve the health of their local population by ensuring that there are public health services aimed at reducing drug and alcohol misuse.
- 3.2.2 Mandatory reporting on the non-prescribed but "conditions of the Public Health grant" include:
- i. Treatment for drug misuse
  - ii. Treatment for alcohol misuse
  - iii. Preventing and reducing harm from drug misuse in adults
  - iv. Preventing and reducing harm from alcohol misuse in adults
  - v. Specialist drugs and alcohol misuse services for children and young people
- 3.2.3 In order to fulfil its duties the local authority must have accessible drug and alcohol treatment and recovery systems that include a full range of National Institute of Clinical Excellence (NICE) compliant drug and alcohol interventions to treat both alcohol and drug dependence and to reduce harm, based on local authority prevalence, need and current outcomes.
- 3.2.4 In addition, the local authority must have evidence based prevention activities to reduce harm and improve resilience among your people and vulnerable groups such as homeless/hostel dwellers, offenders and those using new psychoactive substances.
- 3.2.5 The duty also requires local authorities to be compliant with National Drug Treatment Monitoring System (NDTMS) reporting.
- 3.2.6 There are legal implications for making a direct contract award by a public authority under the Public Contract Regulations 2015 (PCR 2015). The authority must demonstrate certain prerequisites and exceptional circumstances for the award to be lawful. In this case those essential prerequisites and exceptional are demonstrable, justifying the council to make the direct award.

3.2.7 These exceptional factors are linked with and are an inherent part of the exempt elements in this report. Therefore, they are outlined in Exempt Appendix Three.

3.2.8 Pursuant to section 123 (2) of the Local Government Act 1972, local authorities are not to dispose of general fund land for a consideration which is less than the best consideration that can be reasonably obtained without the consent of the Secretary of State, unless the disposal comprises the grant of a lease of less than 7 years. The General Disposal Consent of 2003 permits land to be disposal of by local authorities at an undervalue if the local authority considers that the purpose for which the land is disposed of is likely to contribute to any one or more of the promotion or improvement of economic, social or environmental well being of the whole or any part of its area or of all or any persons resident or present in its area, and the undervalue is less than £2,000,000.00.

The proposed leases of Elliman Resource Unit 27 Pursers Court Slough SL2 5DL will both be for a term not exceeding seven years at nil rent. The priorities noted within Slough’s Health and Wellbeing Strategy clearly identify this proposal will contribute to a promotion and improvement of the wellbeing of residents within the area, so the General Disposal Consent of 2003 will apply on this occasion.

### 3.3 Risk management implication

3.3.1 Risks associated with the recommended option are as follows;

<b>Risk</b>	<b>Assessment of Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
Low market interest in the service	Low  The existing provider is keen to retain the service in addition to several the organisations who attended a market engagement event	Commissioners will re-engage with those who were invited to the market engagement event to re-establish contact and to update on the proposed design on the new service A PIN notice will be issued directing interested parties to apply for tender registration	Remains low
Providers bid over the indicative grant allocations	Medium/High  The market is facing significant economic pressures. This includes increases in national insurance, utilities, inflationary pressures and income competition from other sectors	The market engagement will be clear about the indicative budgets and various funding streams and the scoring mechanism in relation to price evaluation for reach lot.  Bidders will be ask to state how and with what they will deliver against each lot.  Price will dictate the order of engagement with providers with the most cost effective approached first.	Low/medium

		Providers will likely be sighted on local authority cost pressures but also sighted on the additional funds streaming that are coming into drugs and alcohol treatment services.	
Loss of continuity of care for existing service users should the existing provider lose the tender	Low/Medium  The existing provider is keen to retain the service and they have the advantage of knowing the wants/needs of our local population as well as having plans in place for additional funding streams	The successful bidder will provide a three-month mobilisation plan that will include a thorough handover from the existing provider  Existing staff will be able to TUPE over to the new provider as will existing case notes	Low
Existing partnership could be lost if a new provider wins the tender	Medium	The mobilisation plan will include engagement with all existing partners and this will be facilitated by both the existing provider and local authority officers	Low
Financial risk to the Council should the funding from Public Health be reduced or withdrawn	Medium	The contract will have a clause relating to the Public Health Grant and any additional funds. the additional funds, meaning should funding be pulled during the term of this contract; the council are able to reduce the value or terminate services within 6 months' notice	Low
Poor performance outcomes	Medium	There will be clauses in the contract terms and conditions covering breaches in performance. These will relate to a number of factors including critical performance defaults and non-critical performance defaults. Remedies include warnings, withholding of payments or part-payments.	Low

### 3.4 Environmental implications

3.4.1 During the procurement process, potential providers will be requested to submit a copy of their environmental impact assessment and impact management measures.

Environmental Impact	Management Measures
Carbon emissions from staff travelling to work and between work place locations	Staff recruitment centred on local residents thus reducing travel to work carbon emission footprint. Promotion or provision of bicycles for staff travel. Promotion of walking routes for outreach workers Promotion of car sharing Travel cards provided for staff to enable them to use public transport. Promotion of electric powered cars.
Hazardous Waste management	Infection control policies and procedures Staff trained in infection control Contract for hazardous waste removal and disposal for needles is included in this contract
Office and equipment waste management	Use of confidential paper shredding and recycling service. Use of recycled ink cartridges for printers. Recycle electronic equipment with ethical supplier. Reduce paper usage by using electronic alternative methods for communication e.g. electronic case note records.

### 3.5 Equality implications

3.5.1 Please see the Equality Impact assessment at Appendix 5.

3.5.2 The bidders will be required to set out how they will meet equalities requirements through the tendering process. This includes meeting the diverse cultural and language needs within the borough and seeking to recruit people with a lived experience.

### 3.6 Procurement implications

3.6.1 The following set out the options that have been considered in relation to the procurement route and strategy for the substance misuse treatment and recovery services.

Strategic Approach	Procurement	Consideration	Recommended
Single Provider for the substance misuse service		This approach was the most favoured option as per	<b>Yes</b>

<p>and thereafter subcontracting the clinical needle exchange and pharmacy services.</p> <p>The Lead Provider will deliver the main contract (substance misuse treatment and recovery) and oversee the delivery of wider treatment services to improve outcomes for this service group.</p>	<p>the feedback from the recent market engagement event.</p> <p>The procurement becomes more attractive to established substance misuse providers that are accustomed to providing clinical and behavioural services under one umbrella.</p> <p>Individual seamless pathways are easier to build around client needs</p> <p>We are expecting the overall service to be more cost efficient than the existing arrangement due to reduced management overheads.</p>	<p>Offers cost efficiency to the local authority</p> <p>Reduces commissioning time with much fewer contracts to manage.</p> <p>System wide developments are more easily able to be agreed and will form part of the tender/mobilisation.</p> <p>Clinical governance and oversight are the responsibility of one provider.</p>
<p>Recommission the various individual services so as to maintain the existing way of working.</p>	<p>This is an established format for Slough and the various service are accustomed to working in a partnership with each other.</p> <p>However each service has its individual management costs i.e. HR, Management oversite etc thus back office efficiencies cannot be made</p>	<p><b>No.</b></p> <p>The contracts require individual contract management from the commissioning team so are not time efficient.</p>

3.6.1 The following set out the procurement timetable integrated substance misuse treatment and recovery services.

Procurement Stage	Estimated Timetable
Submission of bid applications for additional funds to support the crime and drugs strategy	29/03/2022 – 11/05/2022

Clarifications and confirmation	01/06/2022 – 30/07/2022
Service User and Stakeholder Engagement	20/10/2022 15/06/2022–15/07/2022
Workshop with potential providers	30/06/2022
Revenue business case	23/06/2022 – 30/06/2022
Prepare Report to go to July Cabinet meeting - request commencement of Procurement and Direct Award	10/06/2022
Cabinet Meeting	18/07/2022
Notification of contract award	19/07/2022
Incidental procurement issues	20/07/2022 – 30/07/2022
Indicative go live interim services	01/08/2022
Confirmation and update of TUPE information (data/financial/insurance/pension requirement/vacant posts)	29/07/2022
ITT issued on SE Shared Services E-portal	1/08/2022
Deadline for receipt of clarifications	11/08/2022
Target date for responses to clarifications	18/08/2022
Deadline for receipt of Tenders	02/09/2022 12 noon
Evaluation of Tenders	3/09/2022 – 30/09/2022
Presentations	03/09/2022 – 30/09/2022
Prepare and approve Tender evaluation Report by Procurement Review Board	13/10/2022
Inform Cabinet of Contract Award	21/11/2022
Notification of contract award decision	02/12/2022
"Standstill" period (must be 10 days )	03/12/2022 – 13/12/2022
Confirm contract award	14/12/2022
Contract start and start of mobilisation period	15/12/2022
Target service commencement date	01/04/2023

### 3.7 Workforce implications

- 3.7.1 The existing contract ends on 31<sup>st</sup> March 2023, there may be TUPE implications in that staff forming part of an organised grouping of staff mainly providing a service to Slough are likely to transfer to the new provider under Transfer of Undertakings (Protection of Employment) Regulations 2006.

Staff impacted by the transfer will transfer under their existing terms and conditions with the new provider inheriting the obligations under the contracts of employment of the transferring staff. The new provider will be responsible in undertaking their own due diligence regarding the TUPE implications.

### 3.8 Property implications

- 3.8.1 The Council currently hosts the existing provider Turning Point at 27 Pursers Court, Slough, SL2 7DL (Elliman Centre), this arrangement has been in place since 1<sup>st</sup>

April 2017, at NIL rent. The property has never generated income and prior to Turning Point taking occupation, it was used by Adult Social Services for day opportunities. Turning Point do not pay energy costs or maintenance costs, which are paid for by the Council, but they are the registered NNDR payer subject to any eligible reliefs.

Energy and Maintenance Costs for 2021-22 and estimated costs for 2022-23 are as follows:

	<b>Actual Costs (£) 2021-22</b>	<b>Estimated Costs (£) 2022-23</b>
Electricity	4,698	9,578
Gas	1,078	8,377
Maintenance	5,630	5,630
<b>TOTAL</b>	<b>11,406</b>	<b>23,585</b>

- 3.8.2 In May 2022, building work took place to update 27 Pursers Court with a new kitchen and washroom facilities. Further work has been completed to secure the building and ensure compliance with fire safety and with CQC regulations for the provision of substance misuse treatment. The intention being to continue to use the premises for this purpose. Independent evaluation has estimated that with the Elliman Resource being used as a healthcare type facility, it is sensible to compare to other health type facilities in the area. This would yield rental for Adult Social Services in the region of £30,000 per annum (exclusive of rates/utilities/etc) to use this building.
- 3.8.3 The same evaluation states the capital value of the property is dependent upon the covenant strength of the potential occupier. For example, the NHS represents a good covenant strength and therefore would enhance the value of the property. Assuming the property is let to an NHS provider the property would be expected to achieve a capital value after selling costs of between £282,000 and £564,000. If the property is let with a weaker covenant strength the property would be expected to achieve a capital value of between £176,000 and £353,000.
- 3.8.4 In January 2022, Cabinet approved the extension of substance misuse services to Turning Point for a period of one year, 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023 on existing terms and conditions. Since the Cabinet decision to extend the contract, the Asset Disposal Strategy has formally started the process to identify buildings for commercial purposes. Early indications suggest the 27 Pursers Court will be categorised for the use of substance misuse, but a formal decision is required for
1. the extended term (1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023), and
  2. the new contract term following procurement, for a term of 5 years plus 2 years plus 2 years.
- 3.8.5 Whilst the recommendation does not align with the current asset disposal strategy, the impact of a decision made to either dispose of the building or charge rental income, will have a significant impact on:
- Scope of services delivered under the contract
  - Financial stability of the contract

- Outcomes for services users – relocating will disrupt local services and continuity of care
- Agreed grant funding - should the financial envelope of the core service be reduced to meet capital costs
- Opportunity to bid for additional funds linked to the drug and crime strategy due to reduced provision (see section 3.1).

3.8.6 However, should this asset not be disposed of, it will be important that the borrowing costs associated with the foregone opportunity to generate sale proceeds (and thereby reduce borrowing) are met. The borrowing costs are currently estimated as being £10,000 per annum. It is proposed that these costs, along with energy and maintenance costs outlined at 3.8.1 above are met through alternative income sources via Adult Social Care for as long as the building is used for this purpose. Further information is contained at Exempt Appendix 2.

#### **4. Background Papers**

Report to Cabinet January 2022.

**Appendices 1-3 contain exempt information and are in Part II of the agenda**

## Appendix Four

### Overview of targets

Targets Lot One: Integrated Adults and Young Peoples' Substance Misuse Treatment Services

In line with the 10 year drugs and crime strategy, the following targets are expected over the first three years

#### 1) Increasing numbers in treatment

	Baseline 2021-22	Year 1 2022-23	Year 2 2023-24	Year 3 2024-25
Capacity				
All adults "in structured treatment"	667	700	750	795
Opiates	395	415	435	455
Non opiates (combined non-opiate only and non-opiates and alcohol)	116	120	130	140
Alcohol	156	165	185	200
Young people "in treatment"	9	15	25	30

#### 2) Increasing proportion of adults in residential rehab to 2%

	Baseline 2018-21 average	Proportion of adults in resi rehab as a proportion of all adults in treatment	Year 1 2022-23	Year 2 2023-24	Year 3 2024-25
National	3805	1.4%			
Local planning	7	1.0%	7	10	12

#### 3) Number of adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison/secure estate

	Baseline 2021-22	Year 1 2022-23	Year 2 2023-24	Year 3 2024-25
National	37%		75%	
Local planning (%)	21%	28%	34%	40%

#### 4) Increasing workforce and specialist posts funded

Nearest 0..25 FTE	Baseline 2021-22	2022-23
Drug and Alcohol Workers	11	14
Dual Diagnosis Recovery Worker	0	1
Mental Health Outreach Liaison Worker	0.6	1.6
Criminal Justice Outreach Workers	2	2
Senior Practitioners / Team Leads	4	5
Rough Sleeper Outreach Workers	0	4
Nurses	1	1
Commissioning Support	0	2
Total	18.6	30.6

#### 5) Quality Indicators

- High levels of successful completions from treatment
- Planned successful discharges from the service
- High levels of non-representations to treatment
- Low levels of Drug Related Deaths and service users dying prematurely.
- Increased support and access for residential rehab/community detox following successful
- Increase in the number of people in the criminal justice system who will engage with the Recovery Service, successfully complete and do not represent within the following 6 months – 100% assessments offered for prison/probation referrals.
- Families of substance users supported to build resilience and reduce the associated harms from substance use/misuse. Per quarter - 40 key work meetings, 40 professional meetings, active caseload of 30.
- Early preventative work with local agencies by delivering and alcohol awareness sessions. 60 sessions delivered per quarter.
- Use of technological solutions to deliver treatment to undertake self-assessment and interventions to promote independence)
- Screening for underlying mental health issues and, in turn, increasing access/referrals to mental health services. (75% of screening and referrals for onward interventions)
- Offer and acceptance for Hep C, and Hep B vaccination

## **Lot Two: Rough sleepers' substance misuse outreach service**

As well as contributing towards increasing numbers in treatment, this service will deliver against the following outcomes – Year 1 to be used as baseline.

- 1) 120 persons at risk of homelessness to be in receipt of a unstructured treatment and harm reduction including a combination of: needle exchange, BBV testing, Naloxone Harm Reduction & brief interventions.
- 2) Caseload of 80 rough sleepers/persons at risk of homelessness to be engaged in structured treatment
- 3) Targeted outreach engagement with those experiencing Rough Sleeping expects access to treatment
- 4) Sustained treatment post six months from engagement
- 5) Increase in successful treatment
- 6) Increased access to residential rehabilitation
- 7) Increased access to Mental Health and general health care services
- 8) Improvement in reported physical and mental wellbeing from participating service users.
- 9) Reduction in long-term and repeated rough sleeping numbers
- 10) Decrease in evictions/abandonments from commissioned services and independent living due to behaviours and rent arrears
- 11) Increase in supported accommodation throughput into more independent living

# Equality Impact Assessment

<b>Directorate: People (Adults)</b>	
<b>Service: Public Health</b>	
<b>Name of Officer/s completing assessment: Deborah Redknapp</b>	
<b>Date of Assessment: 26<sup>st</sup> April 2022</b>	
<b>Name of service/function or policy being assessed: Re-procurement of the Substance Misuse and Recovery Treatment service</b>	
1.	<p>What are the aims, objectives, outcomes, purpose of the policy, service change, function that you are assessing?</p> <p>The Substance Misuse &amp; Recovery Treatment (SMART) service is an open access service for all residents who are struggling with substance use and who want to overcome their dependency. The service is available to all young people and adult residents who can either self-refer or be referred by another service. The service is also available to anyone who is concerned about someone else's" substance use (typically a family member) and who needs help and advice.</p> <p>The current service contract expires on the 31<sup>st</sup> March 2023 and commissioners are planning for a procurement exercise in preparation for a new service to be operational from 1<sup>st</sup> April 2023.</p> <p>A new National 10 year Drugs strategy has been published which will have a direct influence on the new service model to be commissioned. This is being supported by some additional grant monies to help implement the new model. This will ensure we can strengthen the service and offer more support to more of our residents. This will include taking the service out into the community thus increasing access and developing trusting relationships within the persons own space.</p> <p>The new service model will cater for all residents who need help to reduce/cease substance dependency and there will be a particular focus on underrepresented groups such as women, BME groups and LGBT populations.</p>
2.	<p>Who implements or delivers the policy, service or function? State if this is undertaken by more than one team, service, and department including any external partners.</p> <p>Slough's Substance Misuse &amp; Recovery and Treatment service is commissioned jointly by the Public Health Department and the commissioning team in the Adults and Communities Directorate. A number of separate service make up the Service offer and include:</p>

Provision	Service	Provider
Contract for the provision of Drug and Alcohol Services	Adult and Young People peoples substance misuse service	Turning Point
Clinical services for Adults with substance misuse	Clinical substance misuse treatment service	Farnham Rd Practise
Shared Care GP Contracts	Supervised consumption prescribing	Farnham Road Practise
SUP Pharmacy contracts	Supervised consumption prescribing	Pharmacies
NEX Pharmacy contracts	Needle exchange dispensing	Pharmacies
NEX Supply and Waste	Needle Exchange and Waste Collection	Frontier Medical Supplies

3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. Please consider all of the Protected Characteristics listed (more information is available in the background information). Bear in mind that people affected by the proposals may well have more than one protected characteristic.

The service modernisation programme and re-procurement will have the impacts as set out in the table below

Characteristic	Positive , Negative, Neutral or Unknown Impact	Rationale for Assessment
<b>Age</b>	Positive	The service will be available to all young people and adults who are concerned about their own or someone else's drug or alcohol use.
<b>Disability</b>	Positive	The Substance misuse service is available to all residents including those with a disability. For any residents whose disability prevent them from accessing the universal offer, home visits can be arranged and/or at a place that suits the individual. The service is tailored to meet the needs of an individual thus 121 support is available when needed.
<b>Gender Reassignment:</b>	Positive	There is a greater emphasise within the revised service specification to ensure that the LGBT community are more appropriately provided for. It is estimated that around 21% of those

		transitioning their gender are using substances thus the service will develop partnerships with the primary provider and offer 121 support if this is needed.
<b>Marriage and Civil Partnership:</b>	Positive/ Neutral	The revised service is explicit on refreshing the awareness of diversity and the different models of relationships that exist between individuals and or their families. This is echoed when the service works with partners such as schools and is invited to meet and talk in schools about the harms and disadvantages of drugs and alcohol use.
<b>Pregnancy and maternity:</b>	Positive/ Neutral	The Substance misuse service is by design inclusive and supportive of pregnancy and maternity and specifically supportive of the health needs and supports of the mother and the child. The service works particularly closely with children's social care to support parents with substance misuse issues who themselves are living with and/or have children.
<b>Race:</b>	Positive	The Substance misuse service is by design inclusive and supportive of different ethnicities and cultural groups by taking into account the taboos associated with substance misuse in some communities. Explicit focus in local delivery on meeting the needs of CYP and adults from ethnic minorities' communities (including but not limited to Black, Asian, Eastern European and Gypsy Roma and other Traveller communities) is a core element of the offer. In addition, substance misuse services are recognised as a primary service thus they are open to those within the borough who have no recourse to public funds
<b>Religion and Belief:</b>	Positive	The substance misuse service is by design inclusive and supportive of different cultural groups and offers a culturally sensitive model of health care and support in an inclusive and culturally sensitive matter. In particular the service will work with a range of local belief groups to help shape the service offer so that it meets the needs of the local communities.
<b>Sexual orientation:</b>	Positive	The Substance misuse service is by design inclusive and supportive of different sexualities within the community. As mentioned the service will have a particular focus on the LGBT community and training of staff to appropriately support service users.
<b>Other: Mental Health, Criminal justice</b>	Positive	The service will be positive for two different additional groups:  <b>Mental Health:</b> Adults and young people with co-occurring mental health needs will have additional support that will be better catered for when the service works partnership with the community mental health teams. This will be facilitated with a dual diagnosis worker based within the substance misuse service.  <b>Criminal Justice:</b> The service will work in close partnership with the criminal justice services to ensure both adults and young people can transition smoothly between the services in a seamless way thus ensuring continuity of care. In additional the service will work with Thames valley Police when divisionary actions are appropriate

4.	<p>What are any likely positive impacts for the group/s identified in (3) above? You may wish to refer to the Equalities Duties detailed in the background information.</p> <p>See above</p>
5.	<p>What are the likely negative impacts for the group/s identified in (3) above? If so then are any particular groups affected more than others and why?</p> <p>None identified.</p>
6.	<p>Have the impacts identified in (4) and (5) above been assessed using up to date and reliable evidence and data? Please state evidence sources and conclusions drawn (e.g. survey results, customer complaints, monitoring data etc).</p> <p>There is a wide range of evidence in support of the provision of substance misuse and recovery treatment services and the positive impact they make to the lives of individuals, families and communities.</p> <p>A concise bibliography of some of the main sources of evidence is presented below including:</p> <ul style="list-style-type: none"> <li>• From Harm to Hope: A 10year drugs plan to cut crime and save lives</li> <li>• No Health without Mental Health (Department of Health)</li> <li>• <a href="#">Drug misuse: psychosocial interventions</a> (NICE clinical guideline, CG51).</li> <li>• <a href="#">Drug misuse: methadone and buprenorphine maintenance</a> (NICE technology appraisal, TA114)</li> <li>• <a href="#">Drug misuse: opioid detoxification</a> (NICE clinical guideline, CG52)</li> <li>• <a href="#">Drug Misuse: naltrexone for the management of opioid dependence</a> (NICE technology appraisal,TA115)</li> <li>• <a href="#">Psychosis with coexisting substance misuse</a> (NICE clinical guideline, CG120)</li> <li>• <a href="#">Pregnancy and complex social factors</a> (NICE clinical guideline, CG110)</li> <li>• <a href="#">Interventions to reduce substance misuse among vulnerable young people</a> (NICE public health guideline, PH4)</li> <li>• <a href="#">Needle and syringe programmes: providing people who inject drugs with injecting equipment</a> (NICE public health guideline, PH18)</li> <li>• <a href="#">Drug use disorders quality standard</a> (NICE quality standard, QS23)</li> <li>• <a href="http://publications.nice.org.uk/methadoneand-buprenorphine-for-the-management-of-opioid-dependence-ta114">Drug Misuse – Methadone and Buprenorphine</a> <a href="http://publications.nice.org.uk/methadoneand-buprenorphine-for-the-management-of-opioid-dependence-ta114">http://publications.nice.org.uk/methadoneand-buprenorphine-for-the-management-of-opioid-dependence-ta114</a> (NICE Technological Appraisal TA114)</li> <li>• <a href="http://publications.nice.org.uk/naltrexone-for-the-management-ofopioid-dependence-ta115">Drug Misuse – Naltrexone</a> <a href="http://publications.nice.org.uk/naltrexone-for-the-management-ofopioid-dependence-ta115">http://publications.nice.org.uk/naltrexone-for-the-management-ofopioid-dependence-ta115</a> (NICE Technological Appraisal TA115)</li> </ul>

	<ul style="list-style-type: none"> <li>• Pregnancy and Complex Social Factors <a href="http://publications.nice.org.uk/pregnancy-andcomplex-social-factors-cg110">http://publications.nice.org.uk/pregnancy-andcomplex-social-factors-cg110</a> (NICE Guideline CG110)</li> <li>• Psychosis with Coexisting Substance Misuse <a href="http://publications.nice.org.uk/psychosis-withcoexisting-substance-misuse-cg120">http://publications.nice.org.uk/psychosis-withcoexisting-substance-misuse-cg120</a> (NICE Guideline CG120) <ul style="list-style-type: none"> <li>• Drug Misuse and Dependence: UK guidelines on clinical management 2017</li> </ul> </li> </ul>
7.	<p>Have you engaged or consulted with any identified groups or individuals if necessary and what were the results, e.g. have the staff forums/unions/ community groups been involved?</p> <p>A full scale consultation exercise has been undertaken which included representatives from :</p> <ul style="list-style-type: none"> <li>• Criminal Justice</li> <li>• Department of Works and Pensions</li> <li>• Food Bank</li> <li>• SBS Housing</li> <li>• Probations</li> <li>• Community Safety Team</li> <li>• SCVS</li> <li>• Superdrug</li> <li>• Thames Valley Police</li> </ul> <p>The consultation focused on what works well and what needs to be improved. The referral route into the service was commonly seen as working well as was working with the existing service.</p> <p>Some areas for improvement included speedier allocation of support worker following triage and feedback to referrer on progress especially with the probation service.</p> <p>Further consultation with services users will take place during the summer once the approval to tendering has been granted.</p> <p>Consultation will follow on from March and be an ongoing element of the revised service model.</p>
8.	<p>Have you considered the impact the policy might have on local community relations?</p>

	<p>Yes. The new national drug strategy is a 10 year ambition upon which the new service model will be built. As such the service will include greater capacity all the while the additional funding is available. At the same time there will be a greater focus upon partnership working underpinned by a partnership wide local drug and alcohol strategy.</p>
9.	<p>What plans do you have in place, or are developing, that will mitigate any likely identified negative impacts? For example what plans, if any, will be put in place to reduce the impact?</p> <p>A procurement Task and Finish group reporting to Cabinet portfolio leads and the Executive Directors for People (Adults) will provide continual assurance of progress, inform of issues arising and mitigations to follow.</p>
10.	<p>What plans do you have in place to monitor the impact of the proposals once they have been implemented? (The full impact of the decision may only be known after the proposals have been implemented). Please see action plan below.</p> <p>There will be a wider range of indicators in both the procurement/contractual development framework, service iteration, co-production and improvement mechanisms and eventual service design to ensure the re-procurement approach develops in the required way and the eventual service go live and onward operation is responsive to feedback and able to capture impact on Slough Borough Council residents and wider system partners.</p>

<b>What course of action does this EIA suggest you take? More than one of the following may apply</b>	✓
<b>Outcome 1: No major change required.</b> The EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken	✓
<b>Outcome 2: Adjust the policy</b> to remove barriers identified by the EIA or better promote equality. Are you satisfied that the proposed adjustments will remove the barriers identified? (Complete action plan).	
<b>Outcome 3: Continue the policy</b> despite potential for adverse impact or missed opportunities to promote equality identified. You will need to ensure that the EIA clearly sets out the justifications for continuing with it. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact (see questions below). (Complete action plan).	
<b>Outcome 4: Stop and rethink</b> the policy when the EIA shows actual or potential unlawful discrimination. (Complete action plan).	

**Action  
Plan and**

***Timetable for Implementation***

At this stage a timetabled Action Plan should be developed to address any concerns/issues related to equality in the existing or proposed policy/service or function. This plan will need to be integrated into the appropriate Service/Business Plan.

Action	Target Groups	Lead Responsibility	Outcomes/Success Criteria	Monitoring & Evaluation	Target Date	Progress to Date

**Name:**  
**Signed:** .....Deborah Redknapp.....(Person completing the EIA)

**Name:**  
**Signed:** Vanita Dutta...( Policy Lead if not same as above)

**Date:**01.05.2022

**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	18 <sup>th</sup> July 2022
<b>SUBJECT:</b>	Adult Social Care Debt Recovery Policy
<b>PORTFOLIO:</b>	Cllr Natasa Pantelic, Social Care and Public Health
<b>CHIEF OFFICER:</b>	Marc Gadsby, Interim Executive Director for People (Adults)
<b>CONTACT OFFICER:</b>	Marc Gadsby, Interim Executive Director for People (Adults)
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	Yes
<b>EXEMPT:</b>	No
<b>DECISION SUBJECT TO CALL IN:</b>	Yes
<b>APPENDICES:</b>	Appendix 1 - ASC Debt Recovery Policy Appendix 2 – ASC Debt recovery Policy EqIA

**1 Summary and Recommendations**

- 1.1 This report sets out the Adult Social Care (ASC) Debt Recovery Policy 2022/23 with regards to debts that may have accrued as a result of the Council meeting a person's eligible care and support needs.

**Recommendations:**

Cabinet is recommended to:

1. Approve the ASC Debt Recovery Policy appended at Appendix 1.

**Reason:**

1. To ensure that the ASC debt recovery policy is robust and follows guidelines as defined within the Care Act 2014 and that internal procedures are aligned to this.
2. To enable clients to be aware of the processes involved when collecting unpaid debts.
3. To ensure the Council achieves value for money in its debt collection arrangements and makes consistent decisions taking account of the nature of ASC debts.

**Commissioner Review**

*"The Commissioners are content with these proposals."*

## 2 Report

### Introductory paragraph

2.1 The Council charges ASC service users for a range of adult social care services in accordance with statutory requirements and its local charging policy.

2.2 Whilst the majority of income due is paid on time, the Council has a duty to ensure that all revenue owed to the council is collected promptly and effectively.

2.3 The Council's most recent ASC Debt Recovery Policy is from 2013, which is a joint policy with Arvato, who provided the Council's financial services at the time. This is no longer the case as finance services are provided in house.

2.4 The policy sets out to formalise best practice and includes guidance to ensure that the council has a transparent, consistent and proportionate approach to the recovery of money owed to the council having due regard to minimising arrears whilst not causing undue hardship or consequences to the service user as a result.

2.5 The Council approved a Corporate Plan for 2022-25 at its full council meeting on 19 May 2022. One of its key priorities is "A council that lives within our means, balances the budget and delivers best value for taxpayers and service users." Having a specific debt recovery policy for ASC debt supports this key priority.

### Options considered

Option	Detail	Advantages	Disadvantages
Option 1 - Develop a new Debt Recovery Policy  <b>This option is recommended.</b>	<p>Develop and implement a new debt recovery policy to reflect the council's current operational processes with regards to collecting unpaid debt as a result of receiving care and support services from the council. The council's previous ASC Debt Recovery Policy was written in 2013, prior to the Care Act 2014, and was in conjunction with Arvato – who provided the council's finance services at the time.</p> <p>This option is recommended as the new policy takes into account the legislation set out within the Care Act 2014 and reflects the current practice within ASC with regards to debt recovery. This also provides clients with awareness of procedures and processes when the council is collecting ASC debt.</p>	<ul style="list-style-type: none"> <li>- Policy will be up to date with current legislation</li> <li>- Policy will add greater detail to the process for clients to understand with greater visibility.</li> <li>- Policy will reflect the current processes within the service.</li> <li>- Policy will support the collection of unpaid debt to the council.</li> </ul>	
Option 2 – Continue to utilise the previous Debt	Alternatively, the council can continue to utilise the previous debt recovery policy,		- Policy was written prior to Care Act

Recovery Policy from 2013	<p>implemented in 2013, jointly with Arvato.</p> <p>This option is not recommended, as it was written before the Care Act 2014 legislation was in place and does not reflect the current practice within ASC debt recovery. Therefore, clients do not have a true awareness of the procedures in place with regards to collecting ASC debt.</p>		<p>2014 legislation.</p> <p>- Policy reflects process from previous arrangements with Arvato.</p>
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## Background

2.3 The Care Act 2014 introduced a modern legal framework for the recovery of any debts that may have accrued as a result of the Council meeting a person's eligible care and support needs.

2.4 The recovery of debts from those who are receiving care and support is a sensitive issue given the potentially vulnerable nature of the service users in need of care and support, and the Council's ultimate responsibility to meet eligible care and support needs as set out within the Care Act.

2.5 Given this, Council officers will bear in mind the following principles when approaching the recovery of debts:

- Possible debts must be discussed with the person or their representative (if the person lacks capacity or provides consent). The Council will give its service users a variety of options to discuss payment of their accounts, the preferred method is to utilise the ASC web based portal, however the Financial Assessment team can also be contacted by telephone, email, in writing or face to face at Observatory House.
- The Council must act reasonably and will review the appropriateness of each recovery option based on what is known about the service users circumstances, their ability to pay, their past payment history, their mental capacity or any other physical health or age-related limitations and the requirement to recover outstanding monies in a timely and efficient manner.
- Arrangements for debt repayments should be agreed between the relevant parties. And repayments must be affordable. When debt is not agreed, the council is entitled to take action in accordance with its policy, which may include legal proceedings.
- Where appropriate, the Council will direct the service user to sources of debt and benefits advice.
- Court action should only be considered after all other reasonable avenues have been exhausted.

2.6 The key elements within the new debt recovery policy, which have been added since the previous policy in 2013 are:

- Addition of the legislation and legal status which govern the policy, to add clarity and understand of what the policy represents.
- Addition of the principles of debt recovery, as per 2.5 above.
- Addition of guidance on how the council will support clients through the process and the assistance people will receive when the debt recovery procedure is required.

- Addition of clarity on which services are charged for and which are exempt.
- Addition of detail on how clients can pay debts.
- Development of the detail on the debt recovery process, the Financial Charging Teams role within this, the timescales for recovery, and how the arrangements for payment are made.
- Addition of detail on deferred payment agreements.
- Addition of detail on mental capacity.
- Development of detail around the escalation process and involvement of County Courts.
- Development of detail on when debt is written off.
- Redevelopment of the process and for debt recovery and third-party debt recovery.

### **3. Implications of the Recommendation**

#### 3.1 Financial implications

3.1.1 An updated debt collection policy for ASC charges will provide a more robust framework for the council to collect debts owed to it and should contribute to increasing income for the council.

3.1.2 The collection of debt within the policy relates to both safeguarding the recovery of monies owed to the council where deferred payments are arranged, and ensuring clear and robust processes where such arrangements are not in place

3.1.3 Annual income from all service users' contributions to the cost of care provision average £4.3m per annum.

3.1.4 The total outstanding debt over 6 months is £3.2m. Debt over 12months is £2.1m and £1.1m is debt aged between 6-12 month, twenty-five percent of the annual service users' contributions, however this is likely a result of a financial contributions project in 2021/22 which resulted in c£800k of backdated invoices being raised, and will include client debt for which settlement has been deferred in agreement with the Council.

3.1.5 Improvement to financial assessment processes, clarity of the debt management processes will lead to a reduction in both the outstanding debt and bad debt provisions

#### 3.2 Legal implications

3.2.1 Introduction of the new policy will support the council ensure all activity with regards to the collection of ASC debt it lawful and in line with legislation.

3.2.2 The Care Act 2014 provides a single legal framework for charging for care and support services in accordance with duties under the Act. Except where the Council is required to arrange care and support free of charge, the Council may make a charge when it is arranging to meet a person's care and support needs or a carer's support needs. The statutory guidance confirms that the new framework is intended to make charging fairer and more clearly understood by everyone. The overarching principle is that people should only be required to pay what they can afford and there is a means testing mechanism to support this.

3.2.3 The guidance refers to the following principles in relation to the approach to charging:

- ensure that people are not charged more than it is reasonably practicable for them to pay
- be comprehensive, to reduce variation in the way people are assessed and charged
- be clear and transparent, so people know what they will be charged

- promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control
- support carers to look after their own health and wellbeing and to care effectively and safely
- be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet their needs
- apply the charging rules equally so those with similar needs or services are treated the same and minimise anomalies between different care settings
- encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so
- be sustainable for local authorities in the long-term

3.2.4 The guidance also emphasises the need to ensure that sufficient information and advice is available in a suitable format for the person's needs, in line with the Equality Act 2010 duties.

### 3.3 Risk management implications

3.3.1 Adoption of the policy will mitigate the risk of non-recovery of current and new adult social care debts by ensuring that there is a common understanding of our approach to debt collection.

3.3.2 This is a sensitive area dealing with a most vulnerable section of society in a highly legislated area of work. Inconsistent application of Council policy may lead to poor levels of service and reduce the chance of the Council being able to legally recover the debt.

### 3.4 Environmental implications

3.4.1 There are no environmental implications.

### 3.5 Equality implications

3.5.1 An Equality Impact Assessment (EqIA) has been completed for the implementation of the policy, assessing the impact on groups of people who share a protected characteristic under the Equality Act 2010.

3.5.2 Certain groups of people are likely to be disproportionately impacted by this policy as they are more likely to be paying charges for ASC services. This includes older persons and those with disabilities. Data is not available for all protected groups, which makes it difficult to monitor impact, however further work will be undertaken to improve data collection to better understand which groups are most impacted and what steps are necessary to mitigate any negative impact. For instance, it may be necessary to consider language barriers or steps required to support individuals with diminishing capacity.

3.5.3 The EqIA identifies the action described above, but also the need to ensure there is mitigation in place for effective communication of the policy to all relevant groups, including where there may be language barriers.

### 3.6 Procurement implications

3.6.1 There are no procurement implications.

3.7 Workforce implications

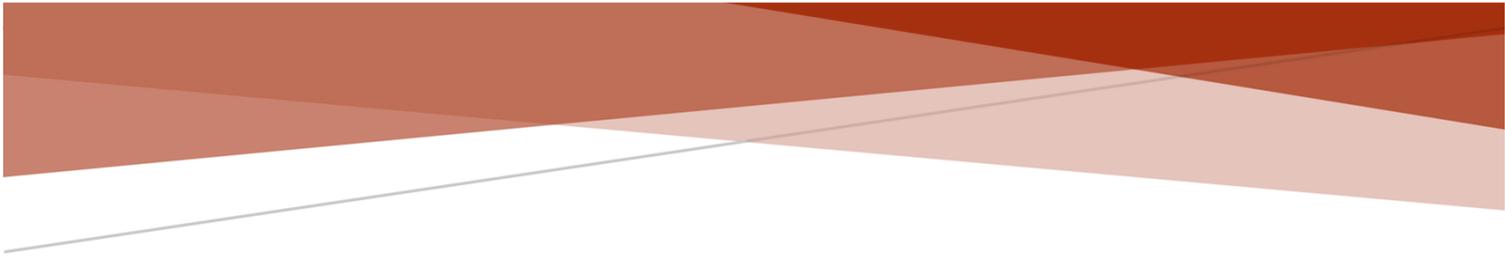
3.7.1 There are no workforce implications.

3.8 Property implications

3.8.1 There are no property implications.

**4. Background Papers**

None



# ADULT SOCIAL CARE DEBT RECOVERY POLICY

Slough Borough Council

2022/23  
Version 2

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## Introduction and Legal Status

This policy provides a fair, clear and consistent framework for debt recovery relating to the contributions towards Adult Social Care in Slough, as set out within section 14 of the Care Act 2014. This policy should be **read in conjunction with the Financial Charging and Contributions Policy 2022-23**.

### *Legal Status*

The Care Act 2014 introduces a modern legal framework for the recovery of any debts that may have accrued as a result of the Council meeting a person's eligible care and support needs. Powers provided under Section 69 of the Care Act provide equal protection to both the Council and the person. Section 70 of the Care Act also provides the Council with the power to recover charges from a third party where a person has transferred assets to them in order to avoid paying charges for care and support.

Whilst Slough Borough Council would wish to avoid County Court Claims, the Care Act enables the Council to make a claim to the County Court for a judgement in order to recover the debt. As a first step, however, the Council must and will offer a person the option of a deferred payment in order to recover the debt wherever a person could be offered a DPA and can and will only make an application to the court should this be refused.

## Principles of Debt Recovery

The recovery of debts from those who are receiving care and support is a sensitive issue given the potentially vulnerable nature of the service users in need of care and support, and the Council's ultimate responsibility to meet eligible care and support needs as set out within the Care Act.

The Council fully recognises that there could be a number of reasons why a service user has not paid an assessed charge. Given this, Council officers will bear in mind the following principles when approaching the recovery of debts:

- Possible debts must be discussed with the person or their representative where consent has been given or the person lacks capacity. The Council will give its service users a variety of options to discuss payment of their accounts: by telephone to the dedicated Financial Assessment team, by email, in writing or through web forms on the web site, and face to face at Observatory House.
- The Council must act reasonably and will review the appropriateness of each recovery option based on what is known about the service users circumstances, their ability to pay, their past payment history, their mental capacity or any other physical health or age related limitations and the requirement to recover outstanding monies in a timely and efficient manner.
- Arrangements for debt repayments should be agreed between the relevant parties where possible. And repayments must be affordable.
- Where appropriate, the Council will direct the service user to sources of debt and benefits advice.
- Court action should only be considered after all other reasonable avenues have been exhausted.

## Assistance to Service Users

The Council recognises that some people do not pay their social care charges because of genuine financial or other difficulties. Although the Council will take a 'firm but fair' approach to recovery

and enforcement, it is the Council's policy also to offer help and support to all service users who are experiencing difficulties paying at every stage of the collection and recovery process.

Wherever possible, therefore, the Council will try to achieve a long term solution, rather than just recovering money that is owed now, so that the service users is better able to manage their finances in the future and meet their future liabilities. The Council recognises that some service users experience genuine hardship because of financial problems. It is the Council's intention, wherever possible, not to add to that hardship through collection and recovery (recognising that service users do have to pay what they are liable for), but to provide the service user with help and support to resolve their finances. The Council will particularly try to help and support service users in the following ways:

- Offering a range of payment dates and payment methods to enable service users to be able to easier maintain payments.
- Trying to resolve debt problems at the earliest opportunity, without letting them get out of control, by advising service users as soon as possible that charges are overdue, and encouraging use of direct debits to avoid debt accruing.
- Signposting service users towards relevant assistance, including advice agencies.
- When agreeing an arrangement for payment, asking that the service user pays an amount equal to their current weekly charge, plus an affordable amount in respect of any arrears. This ensures that the service user is able to maintain their payments and prevent the overall debt from increasing. Where this is not possible due to a recent change, a temporary arrangement will be made with an appropriate date for its review.
- Providing time for benefits and debt advice through referral to advice agencies, or if the agency informs the Council that the service user is receiving advice from them.
- Having proper consideration for a service users circumstances and financial situation, including other priority debts, when taking recovery action and planning for payment.
- Providing clear reasons why the Council is rejecting an offer of payment which is felt to be too low, indicating an amount that the Council believe is reasonable.
- Respecting and protecting service users rights at every stage of the recovery process.
- Accepting that in some exceptional circumstances, no payment scheme is affordable.
- Advising service users of their possible entitlement to any benefits, discounts, or exemptions.
- Working as co-operatively as possible with advice agencies. For example, wherever possible and appropriate, at the request of an advice agency the Council will agree to put a hold on any recovery action for an agreed period to enable the service user to receive specialist advice which will help them make a sustainable payment arrangement.

## Charging for Services and Payment Procedures

The Care Act 2014 and its associated statutory guidance grants local authorities a degree of discretion when it comes to charging for social care.

- Homecare including Specialised Dementia Service
- Day Opportunities/Care
- Shared Housing Arrangement
- Shared Lives Scheme
- Replacement Care or Short-Term placements
- Care provided in a residential/nursing home
- Care provided in a residential college (including students subject to an EHCP)

- A Direct Payment (this is paid net of the assessed contribution)
- Telecare and careline services

Unless advised otherwise, payments of the assessed contribution will be paid directly to the Local Authority and an invoice will be received every 4 weeks.

### *Exemptions from Social Care Charging*

The following exemptions apply to the policy and people will not be charged for care in the following circumstances:

- People suffering from Creutzfeldt Jacob Disease (CJD)
- Services provided under Section 117 of the Mental Health Act 1983
- People who are receiving funding under Continuing Health Care (CHC)
- Short-Term or Interim Services lasting 6 weeks or less
- Children and young people under 18 years of age
- Payment or Service to Carers

### *Payment Procedures*

The Local Authority offers a range of methods to pay their contribution towards services. Details of these methods are included on the back of the bill sent to service users each month, however the preferred payment method for the council is direct debit / standing order. There are other methods when this is not deemed appropriate by the individual including:

- Debit and Credit Card Payments
- Telephone/Online banking

## Debt Recovery

If the service user does not pay their assessed contribution either in full or in part and the invoice remains unpaid following reminder letters and wider communications with a service user and/or their representative, the Council's debt recovery procedures will be instigated in accordance with the requirements set out in the Care and Support Statutory Guidance. This may result in legal action and extra costs to the service user.

The Council recognises that it is bound by the public law principle of acting reasonably at all times, as well as the wellbeing principle set out in the Care Act. Given this, the Council will consider all other reasonable avenues before utilising the powers provided under the Act.

The debt recovery process will involve the issue of reminder notices where invoices remain unpaid and discussing the debt with the client or their representative. Social Workers will be made aware of the debt and will become involved if appropriate to the ongoing wellbeing of the client or where the client is not responding to the Financial Assessment Team.

The Financial Assessment Team will support clients to agree an affordable repayment plan with respect to ongoing costs. The Council pledges to approach debt recovery in a reasonable and sensitive manner and will only take court action as a last resort.

Where a debt has accrued, and a person could be offered a Deferred Payment Agreement prior to legal action, then the Council will offer this option as set out in Section 69(2) of the Care Act 2014.

Before pursuing any course of action, the Council will consider whether it is appropriate to recover the debt. Although it has the power to do so, and in the majority of cases will do so, there may be occasions when recovery is not pursued, this is detailed within the Writing Off Debt section below.

## Timing of Debt Recovery

The point at which a debt becomes due to the Council is the due date stated on the Council's invoice. **Invoices are raised every 4 weeks following the receipt of care, giving service users 28 days to make payment.**

After invoices have been issued, the following debt recover process will be actioned:

1. If, after 14 days of generating an invoice payment still has not been received, service users are sent a first reminder notice.
2. If, after 28 days of generating a first reminder notice payment still has not been received, a second reminder notice will be issued.
3. If, after 14 days of generating a second reminder notice payment still has not been received, service users will be contacted by the Financial Assessment Team via telephone.
4. 3 attempts will be made to contact service users by any means before a final notice is issued and a pre-legal letter is sent.

The time period to recover debts is **six years** from the date when the sum would become due to the Council. Where a debt is taking some time to be recovered, provided legal proceedings have been issued within the limitation period, enforcement can continue. The age of a debt is not usually a reason itself to consider writing off a debt and the Council may issue proceedings to protect its interest and avoid a limitation period passing. Arranging for Payment of Debt owing to the Council

When agreeing an arrangement for payment the Council will always ask that the service user pays an amount equal to their current weekly charge, plus an affordable amount in respect of any arrears.

This ensures that the service user is able to maintain their payments and prevent the overall debt from increasing. Where this is not possible due to a recent change, a temporary arrangement will be made with an appropriate date for its review.

When making the arrangement the council will:

- Have proper consideration for a service users circumstances.
- Provide clear reasons why the Council rejects an offer where repayment is felt to be too low and indicate an amount that the Council believes is reasonable.
- Where appropriate, allow time for benefits and debt advice through referral to advice agencies, or if the agency informs the Council that the service user is receiving advice from them.
- Accept that, in some exceptional circumstances, no payment scheme is affordable, and a temporary deferral of payment can be agreed.
- Respect and protect service users rights at every stage of the recovery process.
- Recognise where the service user has other priority debts (e.g., rent arrears or utility debts), and ensure that a fair balance is reached between claims.

**The Council will always try to resolve debt problems at the earliest opportunity, without letting them get out of control by advising service users, or taking appropriate action, as soon as possible after an arrangement payment is missed.**

## Deferred Payments

Where a debt has accrued and a person could be offered a deferred payment agreement, the Council will offer the person, or their attorney or deputy, the option of repaying the debt through a DPA as set out in Section 69(2) of the Care Act 2014. This is available where the person owns

property and the equity in the property is sufficient to cover the debt. Under this arrangement the person is not required to immediately sell their property.

A person could be offered a DPA if they are receiving care in a care home or are renting an extra care property, and the person has a form of security adequate to cover the DPA (usually a property). The Council is only required to offer the DPA for the amount of the accrued debt and is not obliged to defer any future costs.

However, the Council will consider allowing the person to defer further payments so as to avoid any further accrual of debt. This option is likely to be attractive to a person as the maximum interest rate for DPAs is set by regulations and is lower than the maximum amount the County Court can apply and will avoid the costs of legal action being added on to the debt.

The person must enter into a legal agreement that allows the Council to place a legal charge on the property.

Only where a person refuses the option of a DPA or does not meet the eligibility criteria can the Council seek to enforce the debt via an application to the County Court. The Council will therefore make sure a refusal, along with the reason, is recorded appropriately.

## Diminishing or Lack of Mental Capacity

A debt may have accrued as a result of diminishing or a lack of mental capacity. Practitioners will carry out a decision specific capacity assessment where there is a diagnosis of mental impairment or mental disorder, or where the person's engagement with care planning shows they may lack capacity to make some decisions.

The Council will adhere to the guidance of the Mental Capacity Act 2005. Where people lacks capacity and there is documentary evidence to support this, and where they have appointed attorneys or deputies to make financial decisions for them, the Council will involve this representative in any financial decision making.

Where a person has an attorney for property and financial affairs or a deputy, these roles give the attorney or deputy the legal authority to make financial decisions on behalf of the person. The Council can discuss all the previously listed debt recovery options with the attorney or deputy. If debt accrues when a person has an deputy or attorney acting for them, the Council will consider whether this individual is exercising their duties appropriately and may in appropriate cases refer the matter to the Office of the Public Guardian to ensure that payments are made promptly and decisions taken in the person's best interests. In addition, if the deputy or attorney is in receipt of benefits, the Council may request that the DWP suspend benefits whilst the Council reviews the case.

If a person who lacks capacity does not have a deputy or attorney, the Council may apply to be appointed as deputy and will manage the person's property and financial affairs. If the person does not own property or have savings, the DWP may appoint the Council as appointee for the purpose of payment of benefits.

## Safeguarding Referrals

In some arrears cases, concerns may arise that the a person acting as attorney, appointee or deputy and responsible for paying the charges on behalf of the service user is not administering the finances appropriately. In cases such as this it will be appropriate to refer the case to Safeguarding Adults Team as potential financial abuse. Each arrears case will be considered on an individual basis before

a referral is made; only when it has been clearly established that the attorney or deputy has the ability to pay but is refusing to cooperate with all the Council's attempts to enforce this will a referral be made.

An arrears visit will always be undertaken as part of this process to establish if there is a clear intention to avoid paying the charges and other factors such as whether any payments have been made, if the personal expenses allowance is being paid to the service user, and the level co-operation/communication from the attorney or deputy will also influence the decision.

## Issue of County Court Claim

Where all other reasonable avenues have been exhausted, the Council may decide to proceed to the County Court in order to recover the debt owed. The Court will require the Council to prove the legal basis for the claim.

**Issue of claim and other processes, including enforcement, attract a court fee.** The level of the fee will vary depending on the amount that is being sought and depending on whether the claim is issued online or by paper. Whilst there is an upfront cost to the Council to meet this fee, **if an order or judgement is made in favour of the Council, the Court may add the fee and costs to the debt recoverable.**

Once the Court has issued the claim, a Notice of Issue will be sent to the Council and a copy of the claim to the person the Council is seeking to recover the debt from. The person will then have the options of admitting the full amount of the claim, or defending the claim. If no response is received to the claim, or if the person admits part or the whole amount of the claim, and the Council accepts the part admission, the Court can be requested to enter judgement against the person. The Council may then commence enforcement proceedings if the person does not pay the judgement.

If the claim is defended or the person does not accept the part admission, the claim will proceed to the next stage.

**Approval will be referred to the senior officer in accordance with scheme of delegation prior to any enforcement action commencing.**

## Enforcement Options

Once the Council has obtained a money judgement from the County Court, it can decide how to enforce this. There is no limitation period for enforcement and in appropriate circumstances the Council may agree not to enforce a debt for a period of time.

Enforcement methods include:

- Warrant of execution or writ of control leading to bailiff action
- Attachment to earnings, benefits or pension
- Third party debt order to freeze assets or bank accounts
- Charging order against a person's land or property – this provides security for the debt, but in specific cases, the Council may apply for an order to sell the property
- Bankruptcy – in specific cases the insolvency practitioner may recover debts from third parties where an asset has been transferred or sold as less than market value with the intention of putting those assets out of reach of a creditor

The legal costs of pursuing enforcement action will be added to the debt and interest will also be payable.

## Writing off a Debt

The Council will only consider writing off debts where they are deemed to be uncollectable, e.g., in circumstances where the Council is unable to trace the service user, where they have passed away (although the Council will normally look to collect any outstanding amounts from the deceased's estate), if it is considered uneconomical to pursue the debt further or where the Executive Director People (Adults) has decided that legal action is not appropriate. The age of the debt is not usually a reason itself to consider write off.

All agreed debt write-off will be completed in accordance with the Adult Social Care's Scheme of Delegation, and the Council's financial regulations

### Recovery of debts arising as a result of fraud or inaccurate information

As part of the financial assessment process, individuals must provide information on their income and assets. A declaration must be signed confirming the accuracy of the information. If it later transpires that the information is inaccurate, the case will be referred to the corporate anti-fraud team. The Council will take steps to re-calculate the financial assessment based on the correct information and will send an invoice with any charges due. The Council will also consider whether an offence has been committed and whether a prosecution should be commenced.

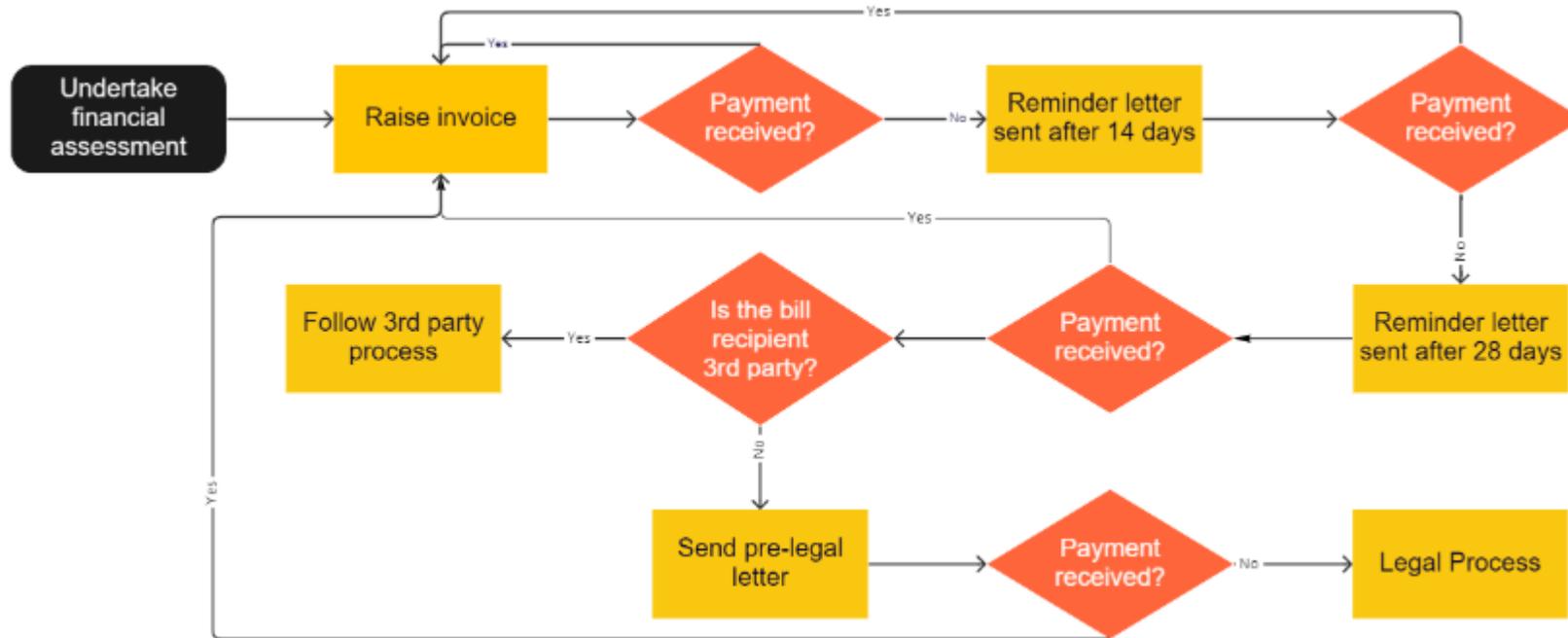
The corporate anti-fraud team will also investigate any concerns that a person has deliberately deprived themselves of assets or income with a view to removing these from consideration in the financial assessment process.

A referral may also be made to the corporate anti-fraud team if there is a concern that a third party has abused their position to obtain a financial benefit. Financial abuse is a form of fraud and will be investigated accordingly and proceedings issued where appropriate.

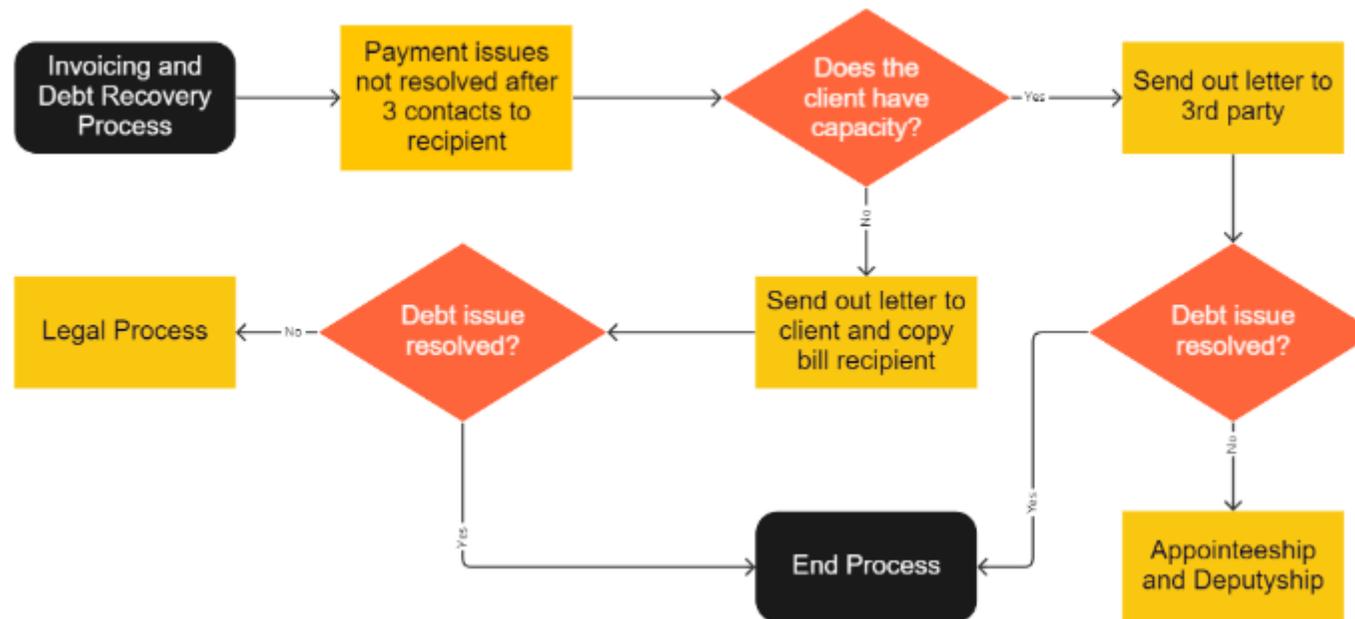
## Complaints

The Council has a complaints policy which is available on its website. An individual can complaint about the way in which the Council has used its powers to collect debt. If a person is dissatisfied with the outcome of the complaint, they can contact the Local Government and Social Care Ombudsman.

## Appendix 1 – Invoicing and Debt Recovery Process Chart



## Appendix 2 – 3<sup>rd</sup> Party Bill Recipient Process



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## **ASC Debt Recovery Policy 2022/23 Equality Impact Analysis: (EqIA)**

### **Introduction**

**Directorate:** People (Adults)

**Completed by:** Marc Gadsby

**Approved by:**

**Date of approval:**

**The Equality Act 2010 places a ‘General Duty’ on all public bodies to have ‘due regard’ to:**

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with ‘protected characteristics’ and those without them.
- Fostering good relations between those with ‘protected characteristics’ and those without them.

**This Equality Impact Assessment evidences how the Council meets the responsibilities outlined above with regards to the update of the Financial Charging and Contributions Policy.**

## General information about the proposal

This Equality Analysis relates to the update to the ASC Debt Recovery Policy 2022/23. Please see the ASC Debt Recovery Policy 2022/23, for more details on the detail of the policies.

This Equality Analysis focuses only on the impact of updates and changes to the policy. These policy changes are to update the policy to reflect current practice.

## Evidence (Consideration of Data and Information)

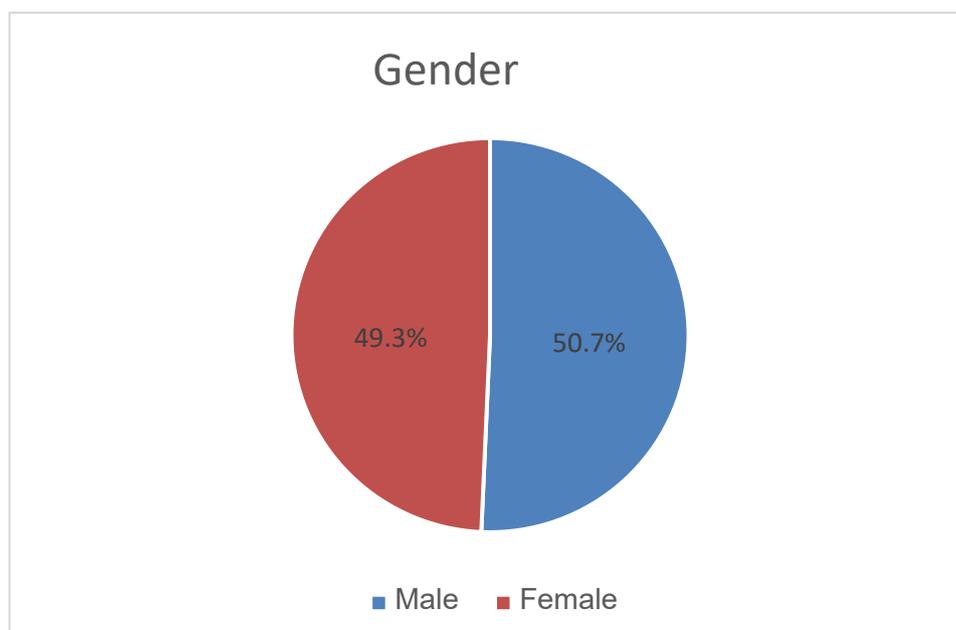
Slough resident information<sup>1</sup> is taken from the 2011 Census and Public Health for Berkshire Observatory: [Berkshire Observatory – Slough – Population & Demographics](#) and the Office for National Statistics: [Local Area Report for areas in England and Wales - Nomis \(nomisweb.co.uk\)](#)

The data and information is based on the Slough population as a whole, as detail on relevant groups in receipt of care and support services is not consistently available.

There is no foreseen impact of the proposed updates to the policy.

## Gender

*As of 2020.*

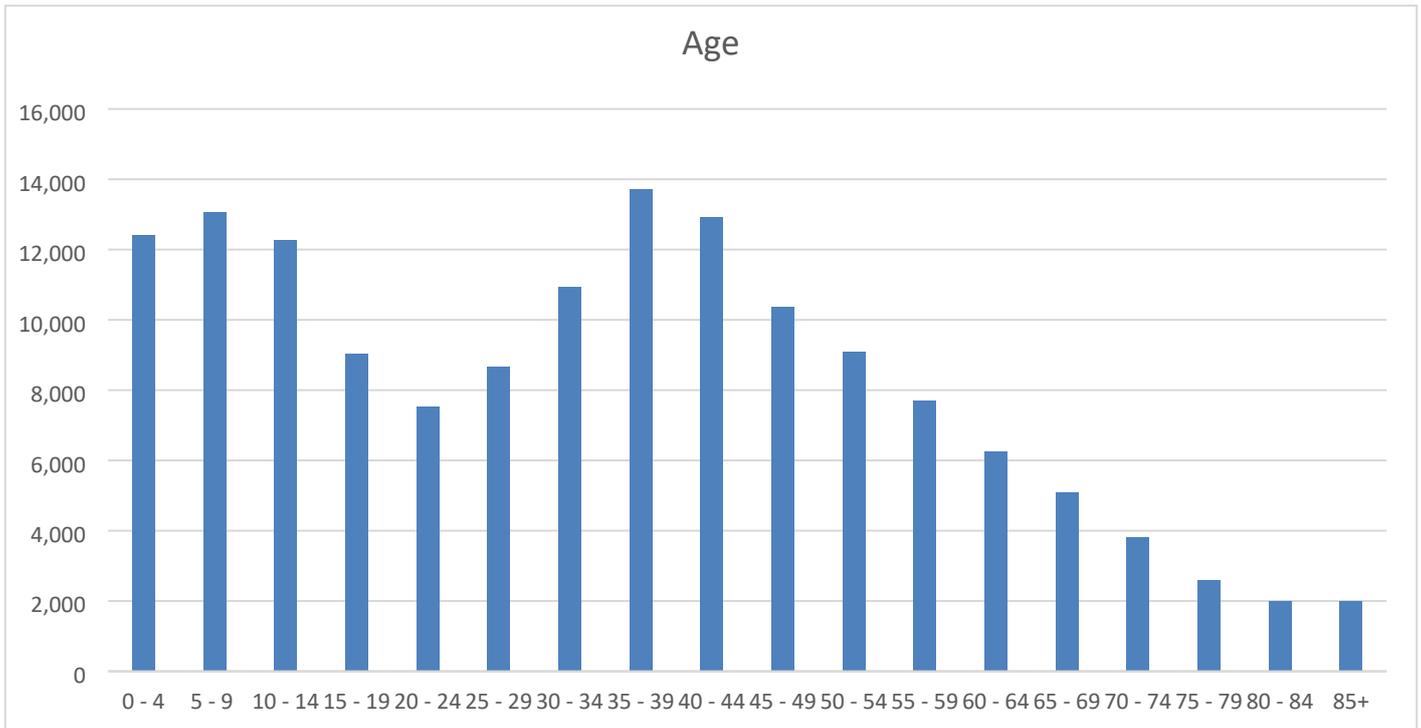


Gender	Population	Total %
Female	73,748	49.3
Male	75,829	50
<b>Grand Total</b>	<b>149,577</b>	<b>100</b>

## Age

<sup>1</sup> It should be noted that the number of carers known to adult social care is much smaller than the number of carers overall.

As of 2020.

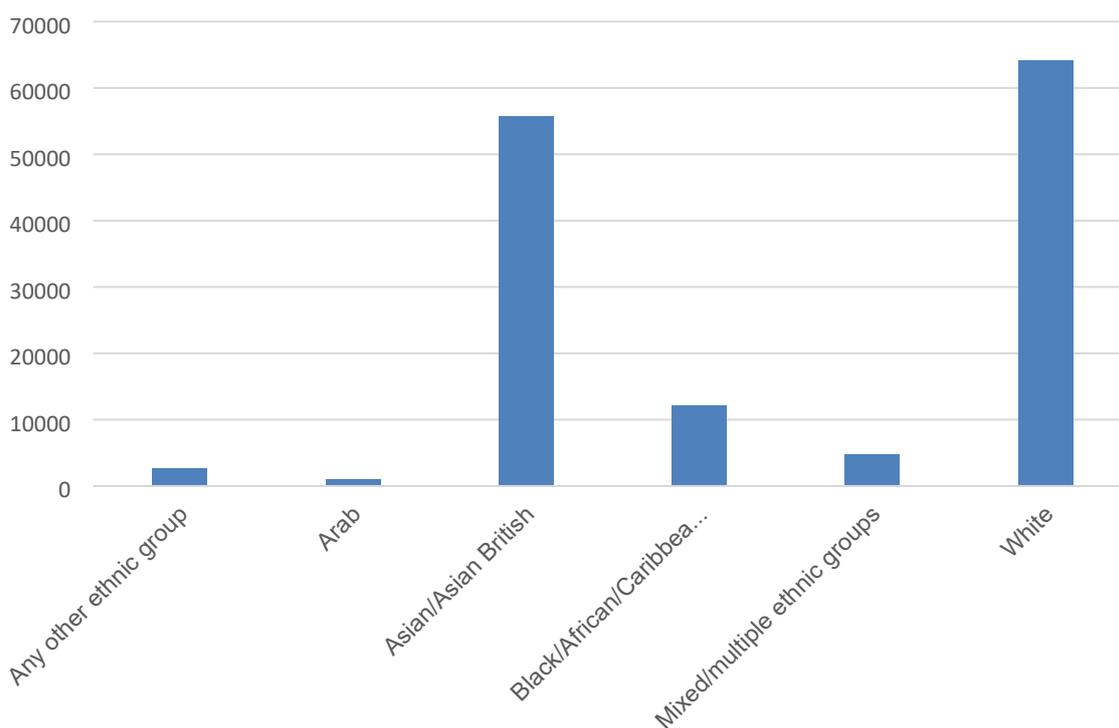


Age Groups	Population	Total %
0 - 4	12,415	8.3
5 - 9	13,070	8.7
10 - 14	12,265	8.2
15 - 19	9,027	6
20 - 24	7,542	5
25 - 29	8,674	5.8
30 - 34	10,950	7.3
35 - 39	13,715	9.2
40 - 44	12,919	8.6
45 - 49	10,383	6.9
50 - 54	9,098	6.1
55 - 59	7,704	5.2
60 - 64	6,258	4.2
65 - 69	5,105	3.4
70 - 74	3,825	2.6
75 - 79	2,610	1.7
80 - 84	2,009	1.3
85+	2,008	1.3
<b>Grand Total</b>	<b>14,9577</b>	<b>100</b>

**Ethnic Background**

As of 2011.

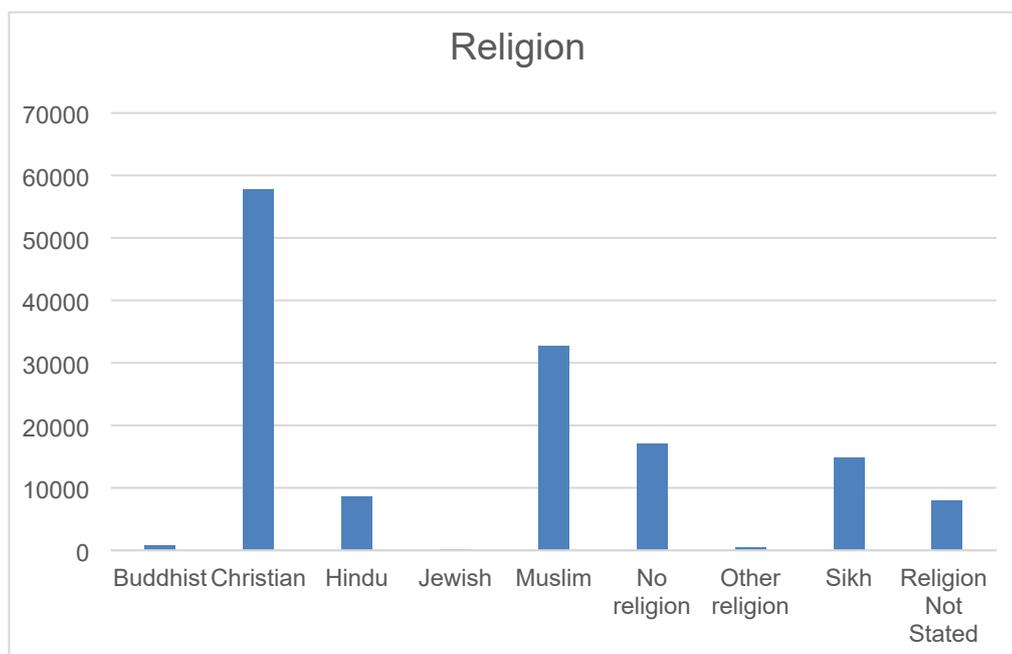
### Ethnicity



Ethnicity	Population	Total %
African	7,548	5.38
Bangladeshi	549	0.39
Caribbean	3,096	2.21
Chinese	797	0.57
English/Welsh/Scottish/Northern Irish/British	48,401	34.52
Gypsy or Irish Traveller	220	0.16
Indian	21,922	15.64
Irish	1,607	1.15
Other Asian	7,560	5.4
Other Black	1,471	1.05
Another ethnic group	3,582	2.55
Other Mixed	1,055	0.75
Other White	13,825	9.86
Pakistani	24,869	17.74
White and Asian	1,429	1.02
White and Black African	607	0.43
White and Black Caribbean	1,667	1.19
<b>Grand Total</b>	<b>140,205</b>	<b>100</b>

### Religion or Belief

As of 2011.

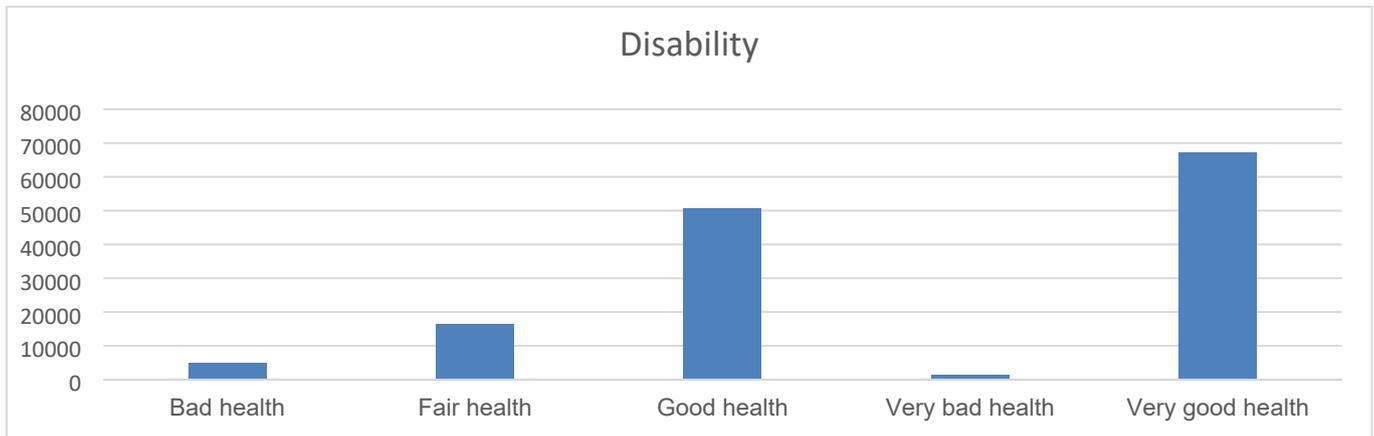


Religion	Population
Buddhist	743
Christian	57,726
Hindu	8,643
Jewish	87
Muslim	32,655
No religion	17,024
Other religion	482
Sikh	14,889
Religion Not Stated	7,956
<b>Grand Total</b>	<b>140,205</b>

## **Disability**

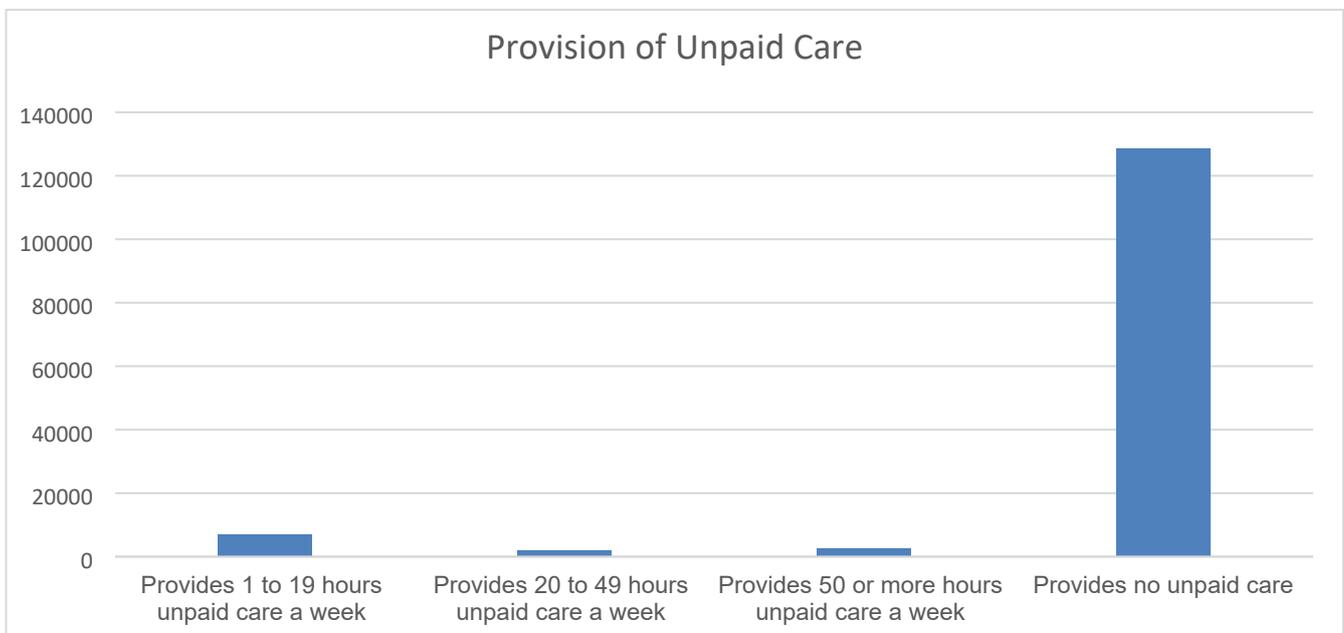
As of 2011.

In the 2011 Census, 9,322 residents between the ages of 16-64 reported living with a physical disability. Over 1,350 people were reported to be living with a severe mental health problem. There are an estimated 2,590 people living with sight loss in Slough. 290 people are living with severe sight loss (blindness). 2,696 adults under the age of 65 live with a moderate to severe hearing impairments (more have a profound impairment). Hearing impairments in younger adults in Slough is expected to increase by 20% over the next ten years. Also, 4.07% of over 65s have been recorded by their GPs as living with dementia.



Disability Status	Population
Bad health	4,906
Fair health	16,288
Good health	50,464
Very bad health	1,391
Very good health	67,156
<b>Grand Total</b>	<b>140,205</b>

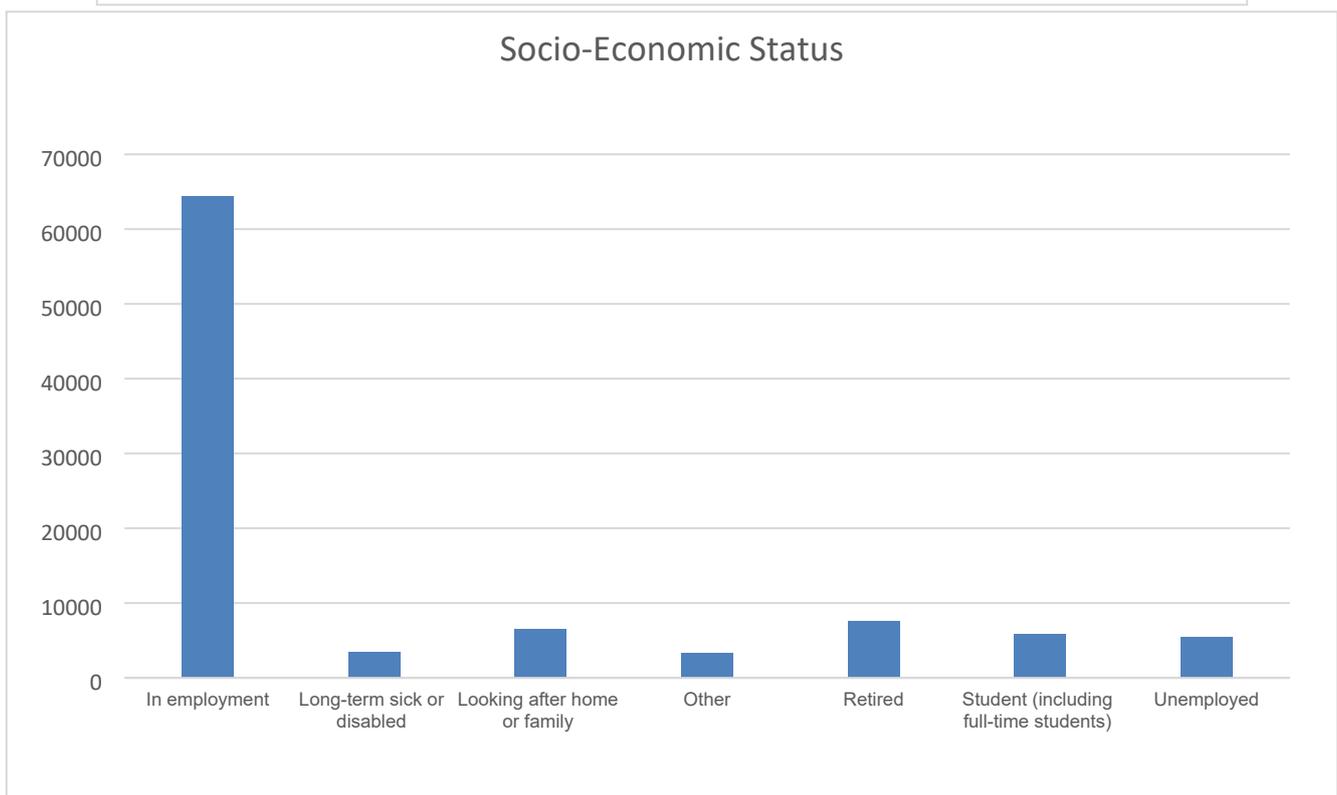
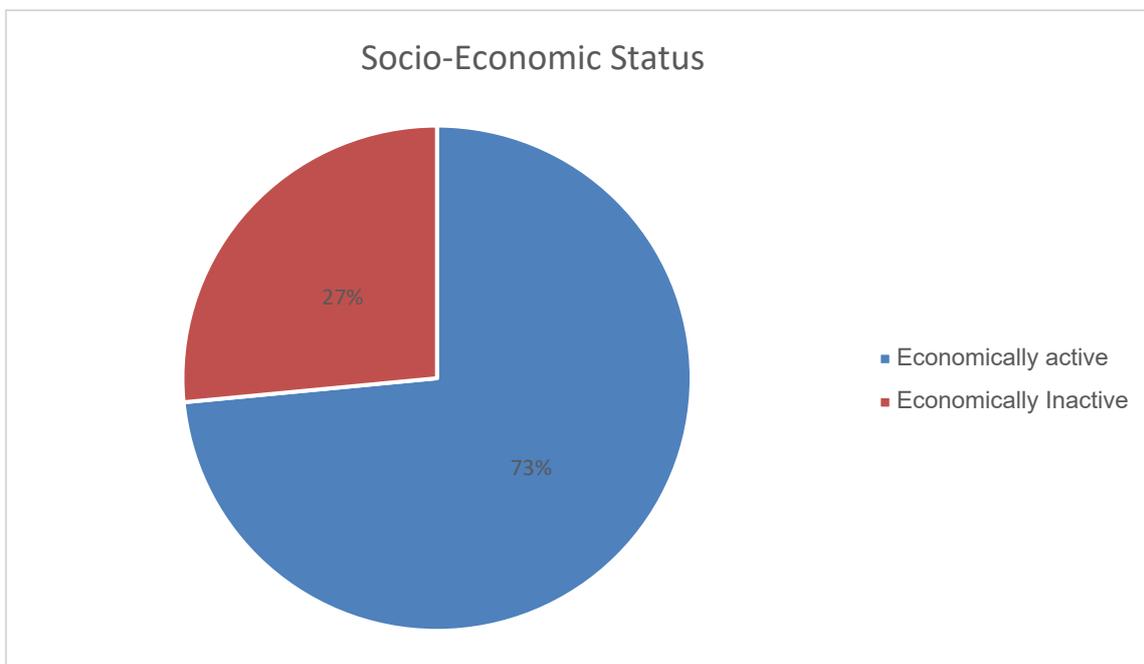
A person is a provider of unpaid care if they look after or give help or support to family members, friends, neighbours, or others because of long-term physical or mental ill health or disability, or problems related to old age. This does not include any activities as part of paid employment. No distinction is made about whether any care that a person provides is within their own household or outside of the household, so no explicit link can be made about whether the care provided is within the household who had poor general health or a long-term health problem or disability.<sup>2</sup>



<sup>2</sup> [Berkshire Observatory – Slough – Population & Demographics](#)

**Provision of Unpaid Care****Population**

Provides 1 to 19 hours unpaid care a week	7,058
Provides 20 to 49 hours unpaid care a week	1,977
Provides 50 or more hours unpaid care a week	2,591
Provides no unpaid care	128,579

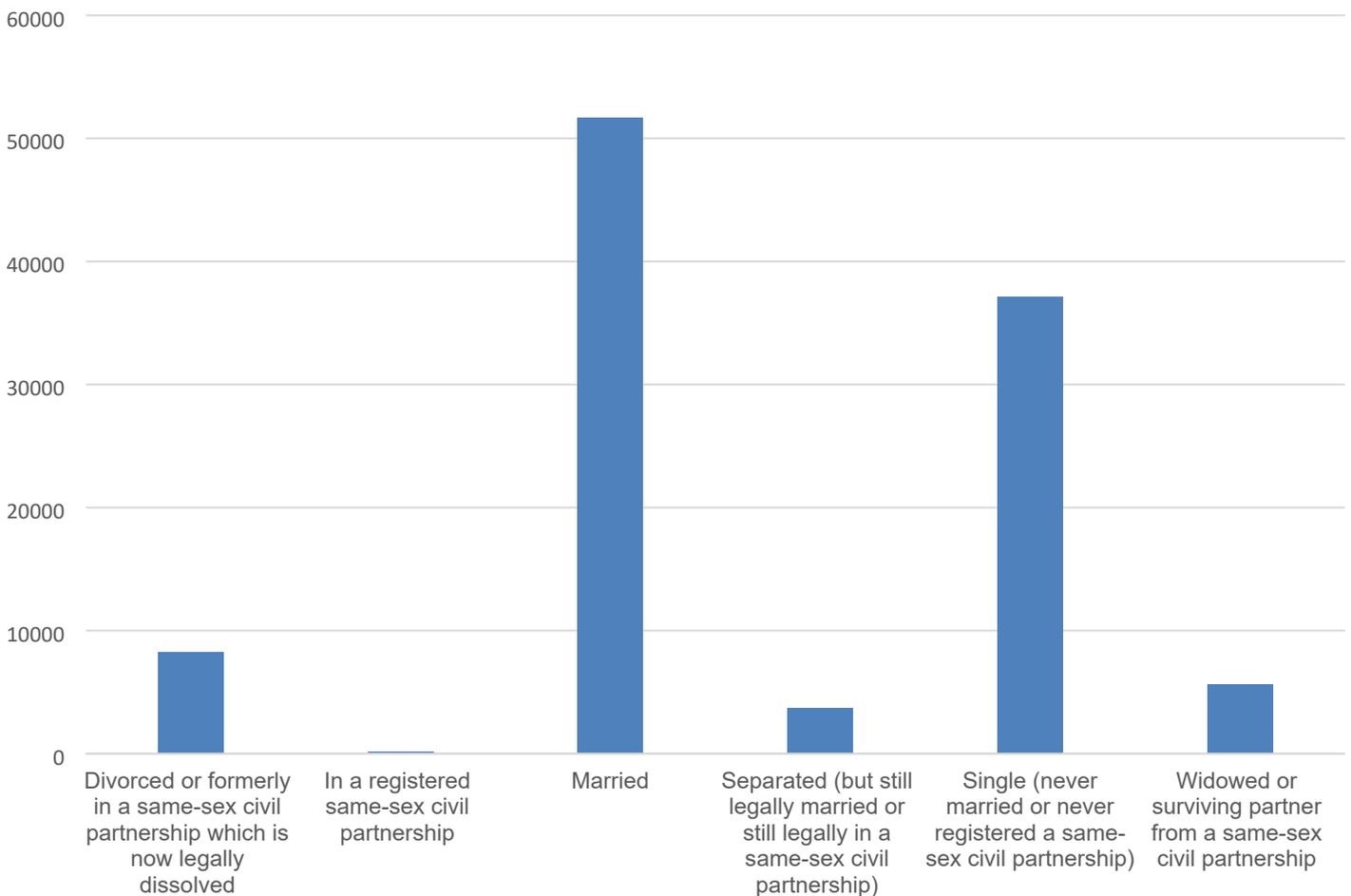
**Grand Total****140,205****Socio-Economic Status***As of 2011.*

**Socio-Economic Status****Population**

Employee: Full-time	43,610
Employee: Part-time	11,886
Self-employed	8,926
Long-term unemployed	2,121
Unemployed: Age 16 to 24	1,303
Unemployed: Age 50 to 74	865
Unemployed: Never worked	1,014
Student (including full-time students)	5,813
Long-term sick or disabled	3,388
Looking after home or family	6,555
Retired	7,517
Other	3,366

**Grand Total****96,364****Marital and Civil Partnership Status***As of 2011.*

## Marital and Civil Partnership Status



<b>Relationship Status</b>	<b>Population</b>	<b>Total %</b>
Divorced or formerly in a same-sex civil partnership which is now legally dissolved	8,271	7.76
In a registered same-sex civil partnership	135	0.13
Married	51,713	48.49
Separated (but still legally married or still legally in a same-sex civil partnership)	3,721	3.49
Single (never married or never registered a same-sex civil partnership)	37,159	34.84
Widowed or surviving partner from a same-sex civil partnership	5,646	5.29
<b>Grand Total</b>	<b>106,645</b>	<b>100</b>

### **Sexual Orientation**

Information on sexual orientation is not available in sufficient detail to draw meaningful comparisons.

### **Gender Reassignment**

Information on gender reassignment is not available in sufficient detail to be able to draw meaningful comparisons.

### **Pregnancy and Maternity**

Information on pregnancy and maternity are not available in sufficient detail to be able to draw meaningful comparisons.

## **Assessing the impact of the updates to the Financial Charging and Contributions Policy on People of Slough with Health and Social Care Needs**

Financial Charging and Contributions of clients towards their care costs is usual practice across the country and is provided for in relevant legislation. Detail of this requirement and how Slough complies with this requirement is laid out in the ASC Debt Recovery Policy 2022/23. The overarching principle of charging for care and support is that people should only be required to pay what they can afford. People will be entitled to financial support based on a means-tested financial assessment and some will be entitled to free care. The framework is therefore based on the following principles:

- Possible debts must be discussed with the person or their representative. The Council will give its customers a variety of options to discuss payment of their accounts: by telephone to the dedicated Financial Assessment team, by email, in writing or through web forms on the web site, and face to face at Observatory House.
- The Council must act reasonably and will review the appropriateness of each recovery option based on what is known about the customer's circumstances, their ability to pay, their past payment history, their mental capacity or any other physical health or age related limitations and the requirement to recover outstanding monies in a timely and efficient manner.
- Arrangements for debt repayments should be agreed between the relevant parties. And repayments must be affordable.
- Where appropriate, the Council will direct the customer to sources of debt and benefits advice.
- Court action should only be considered after all other reasonable avenues have been exhausted.

	<b>Positive</b>	<b>Negative</b>	<b>Neutral</b>	<b>Considering the above information and evidence, describe the impact this proposal will have on the following groups?</b>
<b>Age</b> (All age groups)	Positive impact in that the policy will ensure consistent decision-making taking account of specific circumstances for vulnerable service users.	Potential for negative impact if the change of policy leads to the Council taking more action to recover debt than it has in the past.	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	The 2020 census information shows us that the age breakdown of Slough residents, aligned broadly with the age of users of specific ASC services, is as follows: <b>Age 0-19:</b> 46,777 <b>Age 20-64:</b> 87,243 <b>Age 65+:</b> 15,557
<b>Disability</b> (Physical, learning difficulties, mental health, and medical conditions)	Positive impact in that the policy will ensure consistent decision-making taking account of specific circumstances for vulnerable service users.	No positive or negative impact.	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	In the 2011 Census, 9,322 residents between the ages of 16-64 reported living with a physical disability. Over 1,350 people were reported to be living with a severe mental health problem.
<b>Sex</b>	No positive or negative impact.	No positive or negative impact.	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	The 2020 census information shows us that the gender balance is relatively equal in Slough residents. However, Carers UK, provided a Policy Briefing in 2019 stating 58% of carers were female and 42% were male. ASC services provide support to both Slough residents requiring support and their carers. Therefore, any proposed change that has a direct impact on the experience of carers, is likely to impact women more than men.
<b>Gender reassignment</b>	Insufficient information to identify any impact.	Insufficient information to identify any impact.		Information on gender reassignment is not available in sufficient detail to be able to draw meaningful comparisons.
<b>Marriage and civil partnership</b>	No positive or negative impact.	Potential for negative impact if the change of policy leads to the Council taking more action to recover debt than it has in the past	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	In the 2011 Census, 69,486 of residents had either divorced or formerly in a same-sex civil partnership which is now legally dissolved, been in a registered same-sex civil partnership, married, separated or has been widowed or surviving partner from a same-sex civil partnership

		for couples that have been jointly assessed.		
<b>Religion or philosophical belief</b>	Positive impact in that the policy will ensure consistent decision-making taking account of specific circumstances for vulnerable service users	Potential negative impact if Religious groups are not able to communicate due to language challenges	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	In the 2011 census, there is representation within 8 religious groups across the Slough population.
<b>Ethnicity</b>	Positive impact in that the policy will ensure consistent decision-making taking account of specific circumstances for vulnerable service users	Potential negative impact if ethnic groups are not able to communicate due to language challenges.	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	In the 2011 Census, 91,804 people represented ethnic backgrounds that were not English/Welsh/Scottish/Northern Irish/British and could have language barriers.
<b>Sexual orientation</b>	Insufficient information to identify any impact	Insufficient information to identify any impact		Information on sexual orientation is not available in sufficient detail to be able to draw meaningful comparisons.
<b>Pregnancy and maternity</b>	Insufficient information to identify any impact	Insufficient information to identify any impact		Information on pregnancy and maternity are not available in sufficient detail to be able to draw meaningful comparisons.
<b>Socio-economic</b>	Potential positive impact as the policy will ensure consistent decision-making taking account of individual circumstances, including ability to pay.	Potential negative impact if more recovery action is taken, however individual circumstances will be taken into account.	All people have increased clarity and visibility over the approach in Slough to debt recovery due to the updated policy.	The 2011 census information shows us that around 20% of Slough residents are out of work (not including students or those retired).  All community provision for adults with support needs under the Care Act (2014) is subject to financial assessment, in line with the Financial Charging and Contributions Policy.

## Impact Analysis and Action Plan

Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress
1. The updated ASC Debt Recovery Policy is implemented, and practice reflects the policy detail	Policy is agreed and implemented  Social Care and Financial Assessment team are familiar with the policy and act in accordance to it	Alignment of practice to policy kept under review	MG	Ongoing
2. Collect additional data in the future to monitor impact of the policy on the ASC cohort specifically.	Collate and clean data relating to the ASC cohort for the relevant groups.	Complete set of data for relevant groups for the ASC cohort.	MG	Ongoing
3. On completion of action 2, monitor any further impact on age groups who could be disproportionately affected by the implementation of the policy and ensure information is available people of all ages.	Monitor any further impact on age groups who could be disproportionately affected.	Impact of the policy on age groups monitored and updated following data collection.	MG	Ongoing
4. On completion of action 2, monitor any further impact on Marriage and Civil Partnership groups who could be disproportionately affected by the implementation of the policy,	Monitor any further impact on Marriage and Civil Partnership groups who could be disproportionately affected and ensure effective communication is in place as appropriate.	Impact of the policy on Marriage and Civil Partnership groups monitored and updated following data collection.	MG	Ongoing
5. On completion of action 2, monitor any further impact on Ethnic groups who could be disproportionately affected by the implementation of the policy due to potential language barriers,	Monitor any further impact on Ethnic groups who could be disproportionately affected and ensure consideration of language requirements are in place as appropriate.	Impact of the policy on Ethnic groups monitored and updated following data collection.	MG	Ongoing
6. On completion of action 2, monitor any further impact on Socio-Economic groups who could be disproportionately affected by the implementation of the policy.	Monitor any further impact on Socio-Economic groups who could be disproportionately affected	Impact of the policy on Socio-Economic groups monitored and updated following data collection.	MG	Ongoing
7. Ensure there are effective communication methods in place to address learning disabilities, vulnerability and language barrier	Ensure there is effective communication in place across adult social care to be able to	Effective communication with all clients.	MG	Ongoing



## **Conclusion**

As a result of performing the EqlA, there is no foreseen negative impact on any groups of people who share a protected characteristic under the Equality Act 2010.

## **Monitoring**

Have monitoring processes been put in place to check the delivery of the above action plan and impact on equality groups?

Yes?

No?

Describe how this will be undertaken:

No foreseen impact due to this update to policy, and therefore no monitoring processes to be put in place.

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**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	18 <sup>th</sup> July 2022
<b>SUBJECT:</b>	Options to increase income from leisure contract
<b>PORTFOLIO:</b>	Leisure, Culture & Communities – Cllr Akram
<b>CHIEF OFFICER:</b>	Richard West – Executive Director (Place & Community)
<b>CONTACT OFFICER:</b>	Liz Jones – Group Manager (Localities & Neighbourhoods)
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	YES
<b>EXEMPT:</b>	NO except Appendix C as it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
<b>DECISION SUBJECT TO CALL IN:</b>	YES
<b>APPENDICES:</b>	Appendix A: Price comparisons Appendix B: Equality Impact Assessments Appendix C: Exempt legal advice

**1 Summary and Recommendations**

- 1.1 This report sets out operational changes to the delivery of the leisure services contract held by Sports & Leisure Management Ltd (SLM), trading as Everyone Active (EA) to optimise the management fee paid by SLM/EA to SBC. These operational changes have an impact on the range of facilities available to residents and the prices charged to users. The changes will enable SLM/EA to pay a higher management fee to the Council than would otherwise be the case.

**Recommendations:**

Cabinet is requested to approve:

- a. The negotiated management fee for 2021/22 of £673k, and the negotiated management fee for 2022/23 of a minimum of £1,060k.

- b. The continued suspension of the Everyone Active (EA) community-based activity programme during 2022/23.
- c. That Sports & Leisure Management Ltd/Everyone Active (SLM/EA) can introduce above inflation (as of April 2022) price increases in Quarter 3 2022/23.
- d. Delegating authority to the Executive Director (Place & Community), in consultation with the Lead Member for Leisure, Culture and Communities, the Leader of the Council - Council Recovery, Forward Strategy & Economic Development and the Lead Member for Financial Oversight & Council Assets, to assess future options for the use of Salt Hill Activity Centre and to report back to Cabinet on the recommended option.

**Reason:**

The Council's financial position means that every opportunity to increase income has to be robustly explored. The objective, following the impact of Covid-19 on leisure centre attendance, is to use the current contract to maximise the management fee to the Council. With this aim commercial negotiations between Slough Borough Council (SBC) and SLM/EA have taken place over the past nine months with finance and legal support to agree the annual management fee by SLM/EA to the Council for 2021/22 and 2022/23. Achievement of the 2022/23 management fee set out in Recommendation a. is dependent on agreement to Recommendation b. and Recommendation c.

**Commissioner Review**

*“Given the status of the contract, the Commissioners agree with the recommendations in this report. The Council will have to consider carefully the longer term provision of services such as those mentioned in this report given its financial position.”*

**2 Report**

The recommendations included in this report will support the Council to deliver of the following objective in the Corporate Plan 2022-2025 (Doing right by Slough).

*A council that lives within our means, balances the budget, and delivers best value for taxpayers and service users.* These recommendations will ensure that the Council receives the negotiated management fee from SLM/EA for 2021/22 and for 2022/23 set out in the recommendations.

## 2.1 Options considered

Ref	Option	Consideration
A	<p><b>Pursue in the courts the case that the full management fee (c£1.6m in 2022/23) intended at contract signature in May 2017 be paid by SLA/EA to SBC as if Covid had had no impact on the ability of the SLA/EA business case to generate forecasted profit.</b></p>	<p>Each party has taken legal advice and advice from Counsel. Taking this into account, along with the willingness of both parties to negotiate openly and fairly, we are of the view that a reasonable management fee has now been agreed and that this will not be bettered by pursuing Court action.</p> <p><b>This option is not recommended</b></p>
B	<p><b>Continue the suspension of the community-based programme for 2022/23.</b></p> <p><b>The programme last operated in 2019/20 and included seated exercise, green gym, and after-school football sessions.</b></p>	<p><u>Advantage</u> The programme has not been offered for the past two years (due to Covid restrictions) so there are no existing programmes that will require closing.</p> <p>Current programmes offered or supported by the council can mitigate the suspension of the SLM/EA community-based programme.</p> <p>Suspending the SLM/EA community-based programme will support SLM's ability to pay the management fee to the council.</p> <p>Everyone Active will continue to offer the Healthy Activity referral programme with local General Practice surgeries.</p> <p><u>Disadvantage</u> In theory this will reduce the level of community-based leisure activity available in the borough.</p> <p><b>This option is recommended.</b></p>
C	<p><b>Re-start community-based programme in 2022/23.</b></p>	<p><u>Advantage</u> Any community-based activity programme will supplement existing community activity across the borough.</p>

		<p>Community activity programmes delivered by SLM/EA may be able to directly increase memberships and/or casual use of leisure centres.</p> <p><u>Disadvantage</u></p> <p>Re-starting the community-based programme will reduce the surplus profit available to SLM/EA to make the full annual management fee payment to the Council.</p> <p>This option is <b>not recommended</b></p>
<p><b>D</b></p>	<p><b>Additional above inflation price rise in September/October 2022/23</b></p>	<p><u>Advantage</u></p> <p>Allowing an above inflation price rise in the autumn will support SLM's ability to pay the management fee to the Council.</p> <p>The price rises proposed will still mean the price of Slough leisure centre offers are still comparable to the prices charged by our near neighbours.</p> <p>Community-based leisure and activity programmes provided or supported by the Council will be able to mitigate the financial pressure the additional price rise could have on poorer households by offering and promoting free activities.</p> <p><u>Disadvantage</u></p> <p>Above inflation price rises could reduce the take-up of memberships and the casual use of leisure centres, especially by poorest households.</p> <p>Proposed price increases will be implemented at around the same time as CPI is predicted to reach 10%.</p> <p><b>This option is recommended</b></p>

E	<p><b>Re-open Salt Hill Activity Centre with a reduced range of activity and reduced opening hours in January 2023.</b></p>	<p><u>Advantage</u> This option would require minimal contractual changes between the council and SLM/EA.</p> <p>Slough's leisure offer at all SLM/EA managed sites returns as it was pre-March 2019 (note: Salt Hill Activity Centre has already removed the original indoor caving offer as this was very unprofitable even before the Covid restrictions).</p> <p>SLM/EA have confirmed that the current mix of activities available at Salt Hill Activity Centre (soft-play, ten-pin bowling, high ropes, café, and rooms for party hire) with the current opening hours makes this site unprofitable.</p> <p>If the opening times were reduced and high-ropes activity not re-opened, SLM/EA currently estimate that the site could generate a profit in the region of £100,000 pa.</p> <p><u>Disadvantage</u> Some activities will not be available at Salt Hill Activity Centre and there will be reduced opening hours for users.</p> <p>This option <b>is recommended</b>.</p>
F	<p><b>Re-open Salt Hill Activity Centre with an alternative new mix of activity in late 2023.</b></p>	<p><u>Advantage</u> An alternative new mix of activities on offer could make this site profitable in the final years of the current contract.</p> <p><u>Disadvantage</u> This option would require contractual changes between the Council and SLM/EA.</p> <p>Only limited building/reconfiguration work to introduce new activities could take place prior to January 2023 while the centre is being used as an NHS vaccination centre. This would mean a significant period of time</p>

		<p>when the centre would be closed for refurbishment work and not generating any income.</p> <p>Introducing new activities (such as Tag Active, larger soft play and/or more ten-pin bowling) would incur significant capital costs for the Council. For example, introducing Tag Active (similar to “paintball” but with laser lights) would require an investment of approximately £500,000.</p> <p>This option is <b>not recommended</b>.</p>
<p><b>G</b></p>	<p><b>Assess alternative future use of Salt Hill Activity Centre during 2022/23.</b></p>	<p><u>Advantage</u> The Council is currently undertaking an exercise to assess the future use of its physical assets. It is an efficient use of budget to include the un-profitable site within the SLM/EA contract into this assessment exercise.</p> <p>The assessment will include the advantages and disadvantages of alternative uses for the site. These alternative uses may generate additional income.</p> <p>If the assessment recommends that the site is sold this would generate a capital receipt to the Council.</p> <p><u>Disadvantage</u> Removing Salt Hill Activity Centre from the existing contract will require legal advice and contractual changes.</p> <p>Alternative options for the site may be restricted due to the site being surrounded by land owned by the Salt Hill Trust, parking and access issues and potential loss of recreation/activity space in the borough.</p> <p>This option <b>is recommended</b></p>

H	<b>Close all leisure centres and sell the buildings/land as assets</b>	<p>This option will be assessed as part of our Asset Disposal Strategy and a decision will be brought to a future Cabinet in due course but, meanwhile, we have a responsibility to maximise the income to the Council through receipt of the best practicable management fee due from SLA/EA.</p> <p>The costs to negotiate withdrawal from our contract with SLA/EA may need to be taken from any future proceeds from the sale of our Leisure assets and we would forfeit receipt of the management fees receivable should we sell these assets before the end of the leisure contract and any staff severance costs.</p>
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## Background

- 2.1 In May 2017 SBC, following a full tender process, entered into a legal agreement with SLM/EA which allowed SLM/EA to manage four leisure activity sites across the borough and deliver an outreach community-based activity programme. The contract would be in operation for 10 years until May 2027 with the option to increase the length of the contract by a further 5 years to 2032 subject to agreement from SLM/EA.
- 2.2 Prior to May 2017, leisure centres across Slough were managed by Slough Community Leisure. The Council invested significantly in leisure centre provision during 2015/16 and 2016/17. As a result of this investment Montem Leisure Centre was demolished, ICE Arena (Montem Lane), Langley Leisure Centre (Parlaunt Road) and Salt Hill Activity Centre (Bath Road) were all refurbished, and The Centre (Farnham Road) was rebuilt.
- 2.3 Under the 2017 contract, SLM/EA would pay SBC (to the General Fund) an annual management fee after the leisure facilities has been operational for a number of years. In 2022/23 the management fee was predicted to be c£1.6m (including CPI inflation increases).
- 2.4 In March 2020 the United Kingdom entered into a period of lockdown restrictions due to Covid-19. Part of these national measures were the closing of indoor leisure facilities. This included the closing of all four sites managed by SLM/EA. Community-based outreach activity programme was also suspended.

- 2.5 SBC and SLM/EA entered into a series of interim legal agreements which recognised the impact the change of law had on the operation of the contract. One feature of the interim agreements was an acceptance by SBC that SLM/EA would not be obliged to pay a management fee during that time and that SBC would pay SLM/EA a financial support package to the end of June 2021 (totalling £978,935 from March 2020 to June 2021).
- 2.6 Since lockdown restrictions ended in July 2021 negotiations around the management fee payment to be made from July 2021 have been taking place between SBC and SLM/EA. SLM/EA were of the view that no management fee should be payable since there had been a fundamental change to the intended business model and pointed to a range of clauses within the contract to support this case. SBC were of the view that the full management fee should be paid from the date at which Covid restrictions were lifted and pointed to a range of clauses within the contract to support this opposite case. Each party sought independent Counsel advice. The advice received by SBC and SLM/EA is provided as Appendix C. Both parties remained willing to negotiate openly and fairly. Both parties are of the view that a reasonable management fee has now been negotiated and that this will not be bettered by pursuing Court action. The negotiations and the associated amounts are set out in the paragraphs below.
- 2.7 It was negotiated that the payment of the management fee between August 2021 and 31 March 2022 would be based on the surplus achieved in this period as evidenced by the financial information provided to SBC from SLA/EA.
- 2.8 It has been identified on the basis of SLM/EA's client accounts and supporting evidence for the 2021/22 year that SLM/EA will pay SBC a total of £673,077 covering their operation between August 2021 and 31 March 2022. A net payment by SLM/EA of £50,812 has already been made and the balance of £622,265 will be arranged for billing and collection.
- 2.9 During the majority of the lockdown period and up until December 2022, Public Health England have used (and will continue to use) the Salt Hill Activity Centre as a vaccination centre (all other activity at this site has stopped while the vaccination centre is operational). Public Health England have paid SLM/EA for the use of this site.

#### Management Fee 2022/23

- 2.10 Negotiations between SLM/EA and SBC have resulted in an opportunity for SBC to accept a management fee payment of £1,060k for 2022/23 with, if one is generated, the next £110k of surplus being retained by SLM/EA. Any surplus above this would be split 90% to the Council and 10% to SLM/EA up to £1,500k when the surplus above this would be split 50/50. This is below the original contractual amount because the amount stipulated in the contract assumed a year-on-year growth of business. This trajectory has been broken by the 18-month lockdown and suspension of operation.

- 2.11 The proposed 2022/23 management fee to be paid by SLM/EA to SBC is based on the following assumptions by SLM/EA:
- 2.11.1 **Continued temporary suspension of community programme:** SLM/EA will not re-start the community-based activity programme which means they will not employ a member of staff to deliver this work strand. This will generate a cost saving to SLM/EA of £50,000 which will be passed onto SBC.
- 2.11.2 **Raising prices above inflation (as in April 2022) in September 2022:** The contract allows SLM/EA to bring in price increases each year up to inflation. SLM/EA have requested above inflation price increases to generate additional income. Prices have increased by inflation at the start of 2022/23. If the above inflation (as in April 2022) price increases are brought in and made live in September 2022 this will generate an additional income to SLM/EA of £50,000 (for the part-year 2022/23) which will contribute towards the 2022/23 management fee payable to SBC.
- 2.12 Community programme: there is a risk that without this element of the contract being delivered it will reduce the community-based physical activity opportunities in the borough. In mitigation SBC already successfully deliver a number of community-based sports and leisure programmes using SBC staff and have invested in providing free “green gyms” in many locations across the borough. Negotiations with Sport England have resulted in agreement to expand the delivery of the “Family Programme” that originally only operated in Chalvey (branded locally as “Chalvey Can” to more Wards in the borough to strengthen the SBC delivery of community-based programmes. In addition, SLM/EA will continue to deliver the GP Exercise referral programme in conjunction with local General Practitioners. This programme delivers a 12-week programme of supervised aerobic exercise and promotion of healthy lifestyles and in the last 6-month period has worked with 130 local residents with specific health issues. See the Equality Impact Assessment at Appendix B for more details about these proposals.
- 2.13 Over inflation price increases: see Appendix A. The increases proposed by SLM/EA take market factors into account and commercially the company has to maintain prices at a level the local market can stand. The prices after the proposed mid-year increase would still mean many of the prices for activities at Slough leisure centres are comparable with those charged by our near-neighbours and in some cases the new prices would remain lower than those charged in other centres offering the same activities. See the Equality Impact Assessment at Appendix B for more details about the impact of these proposals.
- 2.14 The total price increases proposed also include an element to mitigate the rising energy costs experienced by all leisure centre providers across the UK. The recent letter from Chief Culture & Leisure Officers Associations and others to Government about this issue is included as a background paper to this report. Price increases are just one aspect of the SLM/EA plan to manage this issue, in addition there will be a small reduction in the temperature of the pools, not using air-conditioning at off-peak times, reducing

the hours of sauna/steam room operation outside peak hours and SLM/EA are investing in providing a pool cover at The Centre.

- 2.15 **Salt Hill Activity Centre:** the recommendation is to delegate authority to the Executive Director in consultation with the Lead Member to explore the contractual, financial and community impact of closing Salt Hill Activity Centre. There are 4 options that will be assessed:
- Re-open Salt Hill in 2023/24 with broadly the current mix of activity as part of the current SLM/EA contract.
  - Re-open Salt Hill in 2023/24 with a new mix of activity as part of the current SLM/EA contract.
  - SBC to remove Salt Hill Activity Centre from the current SLM/EA contract, retain ownership of the centre and introduce a different use of the site.
  - SBC to remove Salt Hill Activity Centre from the current SLM/EA contract and dispose of the building.

- 2.15.1 **Re-open Salt Hill in 2023/24 with broadly the current mix of activity as part of the current SLM/EA contract:** During recent commercial negotiations between SLM/EA and the Council, SLM/EA confirmed that the current mix of activity offers at the site do not make a significant profit to the contract. This is unlikely to change over the course of the contract. Re-opening the site with its current mix will incur costs (utility, insurance, staff costs etc.) but is unlikely to generate a surplus which becomes part of the management fee to the Council.

However, SLM/EA have estimated that if the site opening times are reduced to the most popular times (10am to 7pm weekdays and 10am to 8pm on weekends, a reduction by 30 hours per week) and the costliest activity (high ropes) are not re-opened the activity centre could generate an annual profit of £100,000.

- 2.15.2 **Re-open Salt Hill in 2023/24 with a new mix of activity as part of the current SLM/EA contract:** During the commercial negotiations between both parties, SLM/EA have confirmed that with the right mix of activities on offer, this site could become more profitable. However, the activities offered would require significant additional capital investment by the Council to re-configure, re-furbish and refit the Centre. Early estimates indicate that the level of investment needed would be in the region of £500,000.

- 2.15.3 **SBC to remove Salt Hill Activity Centre from the current SLM/EA contract, retain ownership and introduce a different use of the site:** If Salt Hill Activity Centre was removed from the current SLM/EA contract and became managed by the Council, there may be an opportunity for the Council to use the site for a different activity or to lease it for a different use. Any other uses would need to support local planning policies and there will be a presumption to retain leisure and recreation resources in the borough. Any alternative use would need to be considered in light of detailed planning guidance, costs to refurbish and re-model the building, access issues,

proximity to Bath Road and the interests of near neighbours, particularly Salt Hill Trust.

- 2.15.4 **SBC to remove Salt Hill Activity Centre from the current SLM/EA contract and dispose of the site:** If Salt Hill Activity Centre was taken out of the current SLM/EA contract it may be more advantageous for the Council to dispose of the site to realise capital receipt. The value of the site would take into account issues such as local planning policies, the bordering of Salt Hill Trust land, proximity to Bath Road and the cost of changing/removing existing buildings.

A further report to Cabinet will be made once these options have been assessed.

### 3. Implications of the Recommendation

#### 3.1 Financial implications

- 3.1.1 The Council budgeted for a management fee of £1,600k in 2022/23. The proposed settlement following negotiations is that SBC will receive a management fee of at least £1,060k. Profit share provisions allow the opportunity for this to increase but if profit share does not materialise then there will be a maximum shortfall of £540k which will need to be mitigated by alternative savings. 2022/23 Quarter 1 out-turns are being prepared at the time of writing this report and this will provide a firm basis on which to determine the detail of how this will be achieved.

The calculations in relation to profit share are based on certain criteria's being met by SLM. This is stated below and are also shown in the table:

Loss made by SLM – SBC receive £1,060k in full  
Profit up to £1,060k – SBC receive £1,060k in full  
Profit up to £1,170k – SLM keep the increment of £110k  
Profit up to £1,500k – SBC receive 90% of the amount above £1,170k (£330k x 90% = £297k + £1,060k = £1,357k)  
Above £1,500k – 50/50 share split between SBC & SLM

In order for SBC to achieve the budget target of £1,600k in 2022/23, SLM would need to generate a profit of £1,986k.

- 3.1.2 If the recommendations in this report are not accepted then it is highly probable that the shortfall will be higher than £540k.
- 3.1.3. If the Everyone Active (EA) community-based activity programme is re-introduced during 2022/23 it would reduce the guaranteed management fee of £1,060k by £50k and all the other figures in the table above by this amount. Recommendation b.

- 3.1.4. If SLM/EA do not introduce above inflation (as of April 2022) price increases in Quarter 3 2022/23 it would reduce the guaranteed management fee of £1,060k by £50k and all the other figures in the table above by this amount. Recommendation c.
- 3.1.5. If the community based programme is re-introduced and SLM/EA do not introduce above inflation (as of April 2022) price increases it would reduce the guaranteed management fee of £1,060k by £100k and all the other figures in the table above by this amount.

## 3.2 Legal implications

- 3.2.1 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 provides a broad general power for local authorities to provide such recreational facilities as they think fit within or outside their area, and also gives local authorities specific power to provide identified facilities such as buildings, equipment, supplies and assistance.
- 3.2.2 Under the Health and Social Care Act 2012 and the Local Government and Public Involvement in Health Act 2007, the council and the clinical commissioning groups are responsible for ensuring integration in the approach to health and social care provision, producing a Joint Strategic Needs Assessment (JSNA), and a joint health and wellbeing strategy (JHWS), and the council and commissioners must have regard to the JSNA and the JHWS when exercising any relevant functions
- 3.2.3 The Council and SLM/EA can agree changes to the contract by agreement under the change control provisions of the contract.
- 3.2.4 The Council has carried out Equality Impact Assessments of the effects of continuing to suspend the community-based programmes, and increasing activity prices above inflation, on protected category groups to comply with Section 149 of the Equality Act 2010 to have due regard to the Public Sector Equality Duty. The Equality Impact Assessments show minimal impact on protected groups arising from the proposed price increases, and minimal impact from the continued closure of the community-outreach activity programme (that will be at least partially mitigated by the expansion of the community programme provided directly by the Council (funded through Sport England and General Fund) and the continuation of SLM/EA GP Exercise Referral), and for Salt Hill the impact will be mainly to younger people and families and is substantially mitigated by the fact the Salt Hill Activity Centre will stay open with some restrictions only. An Equality Impact Assessment will be completed if there are proposals to permanently close Salt Hill.
- 3.2.5 The contract will need to be amended to reflect any decisions made. The contract provides for changes to the contract during the contract term and so there is not breach of public procurement rules in making the changes proposed in this report.

3.2.6 The Council has sought legal advice throughout on changes to the leisure contract, and specifically in relation to renegotiation of the management fee payable by SLM to the council under the contract. Detailed legal advice is included in the exempt Appendix C.

3.2.7 In summary, public legal advice is that the government restrictions imposed as a result of the pandemic constituted qualifying changes in law under the contract and therefore the parties were obliged to meet to discuss and agree the financial impact of the qualifying changes in law and what changes should be agreed to mitigate the impact, including any financial adjustments, including to the management fee payable, taking account of reasonable economic assumptions prevailing at the time.

### 3.3 Risk management implications

<b><i>Risk description</i></b>	<b><i>Mitigation</i></b>
<i>Continued suspension of community-based activity will reduce access to leisure services for users who cannot afford to pay for leisure centre activities.</i>	<p>An Equality Impact Assessment has been completed (see Appendix B). This EIA demonstrated that no particular group will be disproportionately impacted by the continued suspension of this programme.</p> <p>The SLM/EA community programme has not been operational for almost 3 years so there are no current activities to be wound-down.</p> <p>SBC delivers and manages a number of community activity programmes, and these ensure that residents have access to free or low-cost sessions.</p> <p>Everyone Active continues to deliver GP Exercise referral programme.</p>
<i>Reduction in management fee paid to SBC will further negatively impact on the Council's overall financial pressure.</i>	<p>Robust commercial negotiations have taken place over the past 9-months and the proposed reduction in management fee has been kept to the minimum possible.</p> <p>Potential legal and arbitration costs have been avoided.</p>

	<p>The proposed management fee for 2022/23 plus the payment received for 2021/22 will minimise the additional negative pressure in the Place and Community budget and savings plans.</p>
<p><i>Payment of management fee by SLM/EA will make this contract uneconomical.</i></p>	<p>Robust commercial negotiations have taken place over the past 9-months and the proposed reduction in management fee will mitigate this immediate risk to SLM/EA and to the continued operation of the contract.</p>
<p><i>Mid-year price increases will make leisure centre activity unaffordable for lower income households.</i></p>	<p>An Equality Impact Assessment has been completed (see Appendix B). This EIA demonstrated that no particular group will be disproportionately impacted by the price increases.</p> <p>The proposed price increases will still leave prices competitive with neighbouring and similar facilities.</p>
<p><i>Significant price increases will encourage current leisure centre users to use other facilities.</i></p>	<p>The proposed price increases will still leave prices competitive with neighbouring and similar facilities.</p> <p>Although the proposed price increases will be implemented at the same time as CPI is predicted to peak at 10%, significant elements of this increase is linked to rising electricity costs which are mitigated somewhat by a number of financial measures introduced by Government.</p>

### 3.4 Environmental implications

- 3.4.1 The proposals outlined will ensure that well managed, good quality and competitively priced leisure centres and activities are available to large numbers of residents either within walking distance of their home, school, or place of work, or they are easily accessible by public transport. Closing The Centre, Langleys Leisure Centre, or ICE Arena and/or increasing prices to a

level that is unsustainable in the local market could encourage residents to drive to alternative sites.

3.4.2 Any proposals for alternative uses of the Salt Hill Activity Centre would take planning policies such as the need to protect green space, into consideration.

3.4.3 Proposals put forward by SLM/EA to reduce energy usage across the estate will reduce the overall carbon footprint of these centres.

### 3.5 Equality implications

3.5.1 The general equality duty is set out in section 149 of the Equality Act 2010. Under this Act, the Council has a duty to have due regard to eliminating unlawful discrimination, advancing equality of opportunity between people sharing a protected characteristic and those who do not, and to foster good relations between people sharing a protected characteristic and those who do not. To comply with the Equality Act 2010, Equality Impact Assessments have been carried out in relation to the suspension of the community-based activity programme and price increases.

3.5.2 Price increases (Appendix Bi): the impact of proposed price increases will not specifically affect particular groups sharing a protected characteristic. However, any increase in prices will affect households on low incomes and tend to include households with disabled members, single parent households (which tend to be headed by women) and elderly households. The impact will be seen across all age groups, all ethnicities and across both sexes. There is no specific data on any other protected characteristic group. It should be noted that one area with a significant price rise is the women-only gym sessions (increase of 28% to bring these sessions in-line with other gym sessions). There is no evidence of other local providers offering this session which indicates a low level of demand. The action plan at Appendix Bi confirms that complaints about the price increase (plus any additional demand for women-only activity will be monitored).

3.5.3 The pricing structure retains discounts (concessions) for adults aged over 65, those in receipt of certain welfare benefits and those registered disabled (and their carers). The prices also retain discounts (concessions) for children whose parents/carers are in receipt of certain welfare benefits.

3.5.4 Price increases to support the payment of the management fee and to take into account the increase utility costs is the best way to ensure services are delivered whilst achieving best value to the Council.

3.5.5 Community programme (Appendix Bii): the impact of continuing to suspend the community-outreach activity programme will impact residents with a disability which restricts their mobility as 4 out of 6 sessions per week were “seated exercise”. However, the expansion of the community programme provided directly by the Council (funded through Sport England and General Fund) and

the continuation of SLM/EA GP Exercise Referral Scheme mitigates this impact. It is EA/SLM intention to re-start this programme as soon as is practicable.

3.5.6 Continued suspension of the community programme will support the payment of the management fee to the Council.

3.5.7 Salt Hill Activity Centre: An Equality Impact Assessment will be completed if there are proposals to permanently close the Centre.

### 3.6 Procurement implications

3.6.1 There are no procurement implications arising from this report.

### 3.7 Workforce implications

3.7.1 There would be no direct workforce implications as a result of this report.

### 3.8 Property implications

3.8.1 The future status of the Council-owned ICE Arena (Montem Lane), Langley Leisure Centre (Parlaunt Road), Salt Hill Activity Centre (Bath Road) and The Centre (Farnham Road) may be impacted by the results of the asset disposal assessment and subsequent delivery programme. Further detailed reports will be brought to Cabinet to consider in detail.

## 4. **Background Papers**

Letter to Secretary of States for DHLUC and DCMS from Chief Cultural & Leisure Officers Association (COLA) and others in relation to cost of utility supplies.

Appendix A – proposed additional price increases

Product	Competitor Analysis					Slough Prices				Slough total price to be introduced in Sept 2022
	Windsor	Maidenhead	Bracknell (EA)	Hemel Hempstead (EA)	Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Swimming Activities										
Swimming Session - Junior	£4.40	£4.40	£4.05	£3.80	£4.16	£4.45	£4.70	£4.95	£5.25	£5.25
Swimming Session - Adult	£7.35	£7.35	£6.00	£5.80	£6.63	£6.10	£6.45	£6.80	£7.10	£7.10
Swimming Session - Concession	£5.35	£2.65	£4.05	£3.80	£3.96	£3.70	£4.20		£4.70	£4.70
Under 3 (free)	free	free	under 5 free	under 5 free		£0	£0			Free
Inflatable - child			N/A			£5.30	£5.85		£5.95	£5.95
Inflatable - Adult			N/A	N/A		£6.35	£7.05		£7.35	£7.35
Family swim (upto 2 adults & 4 children under 12yrs) - peak	£22.55		£22.10	N/A	£22.33	£16.65	£17.50	£18.40	£19.65	£19.65
Family swim (upto 2 adults & 4 children under 12yrs) - Concession						£11.35	£11.95	£12.55	£13.35	£13.35
Sauna, Steam & Swim - Adult	£11.70		£11.50	N/A	£11.60	£7.20	£7.95		£10.00	£10.00
Sauna, Steam & Swim - Concession	£9.00			N/A	£9.00	£5.55	£6.15		£8.00	£8.00
Swimming Lessons (Monthly Cost / Block of lessons) Junior	£33.75		£32.30	£32.50	£32.85	£35.41	£37.29	£39.58		£39.58
Swimming Lesson (Monthly Cost / Block of lessons) Adult	£50.62		£41.45	£32.50	£41.52	£42.50	£49.79			£49.79
Swimming Coaching 30 min - Private Tuition 1-1				£25.00	£25.00	£27.83	£30.70	£32.25		£32.25
Swimming Coaching 30 min - Private Tuition 2-1						£31.80	£35.10	£36.90		£36.90
Swim Club						£18.00	£20.00			£20.00
One Off Lane Booking						£25.00	£27.60			£27.60

Product	Competitor Analysis					Slough Prices				Slough total price to be introduced in Sept 2022
	Buzz Gym	EasyGym	PureGym		Aaverage	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Fitness Activities										
Gym Session - peak Adult	£9.99	£6.99	£9.99		£8.99	£9.25	£9.75	£10.25		£10.25
Gym Session - peak Concession	£9.99				£9.99	£6.45	£7.15		£7.50	£7.50
Gym Session - off-peak Junior						£4.45	£4.70	£4.95		£4.95
Gym Session - off-peak Adult						£6.70	£7.05	£7.45		£7.45
Gym Session - Ladies Only						£5.30	£5.85		£7.50	£7.50
Gym Session - off-peak Concession						£4.40	£4.90		£6.50	£6.50
Group Exercise Class						£7.35	£7.75	£8.15		£8.15
Group Exercise Class - concession						£5.55	£5.85	£6.15		£6.15

Appendix A – proposed additional price increases

Product	Competitor Analysis					Slough Prices				Slough total price to be introduced in Sept 2022	
	Sports Activities	Slough & Eton	Upton Court	Singh Sabha		Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022		Slough Total + Energy Surcharge
Badminton - Peak Junior		£15.00	£10.00	£15.00		£13.33	£7.25	£8.50		£10.00	£10.00
Badminton - Peak Adult		£15.00	£10.00	£15.00		£13.33	£11.45	£12.75		£13.00	£13.00
Badminton - Block Booking			£10.00			£10.00	£15.00	£16.55			£16.55
Badminton - Peak Concession		£15.00	£10.00			£12.50	£8.00	£8.85		£9.00	£9.00
badminton Off Peak Junior		£15.00	£10.00	£7.50		£10.83	£5.55	£6.50		£8.00	£8.00
badminton Off Peak Adult		£15.00	£10.00			£12.50	£9.95	£11.00		£11.50	£11.50
badminton Off Peak Concession		£15.00	£10.00			£12.50	£5.55	£6.50		£7.25	£7.25
Table tennis - Peak Junior							£7.25	£8.50		£10.00	£10.00
Table tennis - Peak Adult							£11.45	£12.75		£13.00	£13.00
Table tennis - Peak Concession							£8.00	£8.85		£9.00	£9.00
Table Tennis - Off-Peak Junior							£5.55	£6.50		£8.00	£8.00
Table Tennis - Off-Peak Adult							£9.95	£11.00		£11.50	£11.50
Table Tennis - Off-Peak Concession							£5.55	£6.50		£7.25	£7.25
Indoor 5-a-side football - Peak	£40.00	£45.00	£80.00			£55.00	£52.00	£55.00		£58.00	£58.00
Indoor 5-a-side football - Off Peak	£40.00		£80.00			£60.00	£41.35	£44.00		£45.00	£45.00
Equipment hire eg. Squash/badminton racket							£3.70	£4.10			£4.10
Karate (1st Court)							£35.00	£38.00			£38.00
Karate (2nd Court)							£12.50	£13.50			£13.50

Product	Competitor Analysis					Slough Prices				Slough total price to be introduced in Sept 2022	
	Memberships	Buzz Gym	The Gym Group	Absolutely Fitness	Nuffield Health	Activ8gym	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022		Slough Total + Energy Surcharge
New platinum membership (all EA sites)		£27.99	£23.99				£49.99	£49.99			£49.99
Langley							£29.99	£32.50			£32.50
The Centre		£21.99	£18.99	£17.99	£85.00	£50.00	£29.99	£29.99			£29.99
Slough Ice Arena							£14.99	£14.99			£14.99
Concession (The Centre)					£72.00		£24.99	£24.99		£25.99	£25.99
Concession (Langley)							£24.99	£27.99			£27.99
Junior							£14.99	£15.75			£15.75
Swim only							£24.99	£26.25	£27.60		£26.25
Swim only concession							£19.99	£21.00	£22.05		£21.00

Appendix A – proposed additional price increases

Product	Competitor Analysis					Slough Prices				
Parties	Jump In (Slough)	Red Bounce	Jungle Mania	Big Apple Wokingham	Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	Slough total price to be introduced in Sept 2022
Inflatable party						£205.00	£225.00			£225.00
Pool party (no inflatable)						£155.00	£170.00			£170.00
Soft play / Ten pin bowling			£129.50	£140.00	£134.75	£124.00	£135.00		£150.00	£150.00
Trampoline / Ice Skating / Clip 'n' Climb	£220.50	£229.50			£225.00	£165.00	£180.00		£195.00	£195.00
<b>Salt Hill</b>										
Soft Play	Kids N Action	Jungle Mania	Whoosh (Bracknell)	The Mad House	Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Over 5's	£8.75	£5.99	£6.00	£5.95	£6.67	£5.30	£5.85		£6.50	£6.50
Under 5's	£6.25	£4.99	£4.50	£4.95	£5.17	£3.70	£4.10		£5.00	£5.00
Under 2's						£2.10	£2.35		£2.50	£2.50
Bowling (price per person, per game)	Heathrow Bowl	Hollywood Bowl	Big Apple Wokingham	Tenpin Camberley	Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Adult	£7.50				£7.50	£6.90	£7.65		£7.95	£7.95
Adult Concession	£4.00				£4.00	£5.80	£6.40		£6.75	£6.75
Child	£6.50	£6.50	£5.95	£6.45	£6.35	£5.80	£6.40		£6.95	£6.95
Child Concession	£3.00				£3.00	£4.80	£5.30		£5.45	£5.45
Add a 2nd game (subject to availability)	£6.5/£5.5					£4.20	£4.65		£4.95	£4.95
Trampoline (1 hour session)	Red Bounce (Reading)	Jump In Slough	Gravity Force (Camberley)	Rush Wycombe	Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Parent & Toddler Session (Under 5's) (1 Adult & 1 Child)	£8.95	£6.45	£10.45		£8.62	£6.35	£7.05		£7.50	£7.50
Parent & Toddler Session (Additional Parent/Child)	£11.95	£10.00	£10.00	£8.50	£10.11	£4.20	£4.65		£5.00	£5.00
Over 5's peak	£12.95	£13.50	£13.50	£13.50	£13.36	£6.35	£7.05		£8.50	£8.50
Over 5's peak Concession						£5.30	£5.85		£6.00	£6.00
Adult peak		£13.50	£13.50		£13.50	£8.00	£8.85		£9.50	£9.50
Adult peak Concession				25% off		£6.90	£7.65		£8.00	£8.00
Family Package (4 bouncers, max 2 adults)						£29.70	£32.75		£33.50	£33.50
Socks	£2.50	£2.50	£2.50	£2.50	£2.50	£2.05	£2.30		£2.75	£2.75
<b>Slough Ice Arena</b>										
Ice Skating	Streatham	Guilford	Lee Valley	Basingstoke	Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Adult Peak	£10.60	£9.50	£10.50	£14.55	£11.29	£8.50	£9.40		£10.00	£10.00
Adult Off Peak	£10.10	£8.50			£9.20	£8.50	£9.40		£10.00	£10.00
Child Peak			£9.50		£9.50	£7.50	£8.30		£8.50	£8.50
Child Off Peak			£8.00		£8.00	£7.50	£8.30		£8.50	£8.50
Family Ticket Family of 4						£19.90	£21.95		£28.50	£28.50
Skate Badges / Certificate						£2.70	£3.00			£3.00
Adult Disco						£5.80	£7.50			£7.50
Child Disco						£5.80	£7.50			£7.50
Friday (3-5pm) Disco						£2.65	£2.95		£3.45	£3.45
Adult Skating Lesson - Direct Debit						£45.00	£47.00			£47.00
Junior Skating Lesson - Direct Debit						£35.00	£36.87			£36.87
Adult Skating Lesson			£72.00		£72.00	£10.80	£11.40			£11.40
Junior Skating Lesson			£72.00		£72.00	£8.40	£8.85			£8.85
Patch DD	£50.65	£40.00	£72.00	£65.00	£56.91	£50.45	£55.65			£55.65
Adult Ice Skating DD						£39.99	£44.10			£44.10
Junior Ice Skating DD						£30.88	£34.05			£34.05
Competitive club rink hire (Spice)						£120.00	£130.00			£130.00
Competitive club rink hire (Jets / Synchro)						£130.00	£140.00			£140.00
Recreational Club rink hire (£90 after midnight)						£160.00	£170.00			£170.00
One off booking rink hire						£200.00	£220.00			£220.00
Skating aid						£5.15	£5.15			£5.15
Young at Heart						£10.35	£11.45			£11.45
Ice Coach Day Rate						£39.50	£43.55			£43.55
Ice Coach Monthly Rate						£525.00	£550.00			£550.00
Clip N Climb	Watford	Fleet			Average	Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Adult	£15.85	£14.50			£15.18	£12.70	£14.05		£14.95	£14.95
Under 18	£14.75	£14.50			£14.63	£10.60	£11.70		£12.50	£12.50
Climbing						Slough Pre Price Increase	Slough June 2022	Slough Sept 2022	Slough Total + Energy Surcharge	
Wall Hire Monthly						£500.00	£551.25			£551.25

## Appendix A – proposed additional price increases

For all of the tables above, the final column (“Slough total price to be introduced in Sept 22”) shows the proposed price to be implemented in September 2022.

- Some prices won’t see any increase over and above the annual increase introduced in April 2022 and implemented in June 2022 – for example, Ice Coach monthly rate will remain at £550.00.
- Some prices will see an increase to the annual increase introduced in April 2022 and implemented in June 2022 – for example, Gym session (Adult peak time) rose to £9.75 in June and will rise to £10.25 in September.
- Some prices will see a further increase to take the rise in utility costs into account – for example, Adult peak Ice-Skating rate rose to £9.40 in June and there will be an energy surcharge added to increase the price to £10.00 in September.

Total proposed new prices are shaded red  to show that these prices are more than 10% higher than the average cost across other local/nearest provision.

Total proposed new prices are shaded amber  to show that these prices are less than 10% higher than the average cost across other local/nearest provision.

Total proposed new prices are shaded green  to show that these prices are cheaper than the average cost across other local/nearest provision.

Total proposed new prices are left white  to show that there are no comparison prices available.

## Equality Impact Assessment

<b>Directorate:</b> Place and Community	
<b>Service:</b> Leisure Services (Everyone Active)	
<b>Name of Officer/s completing assessment:</b> Liz Jones (SBC) & Luke Routhorn (Everyone Active)	
<b>Date of Assessment:</b> June 2022	
<b>Name of service/function or policy being assessed:</b> Additional price increase for use of leisure centres in Slough	
1.	<p>What are the aims, objectives, outcomes, purpose of the policy, service change, function that you are assessing?</p> <p><i>The aim of the proposed price increase is to support Everyone Active generating additional income to pay the Council a management fee, whilst keeping prices within what is commercially viable locally.</i></p>
2.	<p>Who implements or delivers the policy, service or function? State if this is undertaken by more than one team, service, and department including any external partners.</p> <p><i>Everyone Active (external service partner)</i></p>
3.	<p>Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc. Please consider all of the Protected Characteristics listed (more information is available in the background information). Bear in mind that people affected by the proposals may well have more than one protected characteristic.</p> <p><b>Age:</b>  <b>Disability:</b>  <b>Gender Reassignment:</b>  <b>Marriage and Civil Partnership:</b></p>

## Appendix Bi – EIA additional price increases Everyone Active

**Pregnancy and maternity:**

**Race:**

**Religion and Belief:**

**Sex:**

**Sexual orientation:**

**Other:**

*Everyone Active manage 4 leisure centres across Slough on behalf of the Council. Data on usage of 3 of the centres between April 2021 and March 2022 (excluding Salt Hill Activity Centre as this was used exclusively as a vaccination centre) suggests the following groups will be particularly affected by the proposed price increases.*

Age:

- *Over 50% of users of **The Centre** are adults aged over 16 but under 65 years old. Just over 36% of users of The Centre are aged 16 and under with the remaining users aged over 65 (10%).*
- *Over 66% of users of **Langley Leisure Centre** are adults aged over 16 but under 65 years old. 24% of users of Langley Leisure Centre are aged 16 and under with the remaining users aged over 65 (9.4%).*
- *Almost 65% of users of **ICE Arena** are young people aged 16 and under. About 35% of users are adults aged over 16 and below 65 years old with the remaining users aged over 65 (0.5%).*

*None of the price rises that take the Slough price to 10+% higher than the nearest competitor providers are applicable at the ICE Arena.*

*In total there are 8 price rises that take the Slough price to 10+% higher than the nearest competitor and 3 of these will be junior price categories affecting users under 16 – these are junior swim lessons (although anyone on the swimming lesson programme enjoys free swimming all year as part of the package) and junior concession prices for bowling sessions. Three of the 10+% price difference activities are at adult prices and 2 are specifically adult concession prices which include senior users/participants.*

*The new prices will result in at least 33 activities being cheaper than near-by alternative provision; of these 12 are activities for juniors and/or family packages. Six of the proposed prices which will be cheaper than alternative provision are specifically adult-concession prices which will include adult senior users/participants and the remainder (15) are adult (no-concession) priced activities.*

Sex:

- *Across all sites male participants slightly outnumber female (54% male and 46% female).*

Appendix Bi – EIA additional price increases Everyone Active

	<ul style="list-style-type: none"> <li>• However, this pattern is reversed for older users of Langley Leisure Centre and The Centre. Older female users of <b>Langley Leisure Centre</b> account for 5.2% of this age group and male users account for 4.1%. Older female users of <b>The Centre</b> account for 5.4% of this age group and male users account for 4.8%.</li> </ul> <p>There is 1 activity listed that is specifically priced differently for women (Ladies-only gym session) – this activity shows a 28% price increase from June 2022.</p> <p><u>Ethnicity:</u></p> <ul style="list-style-type: none"> <li>• Only 15% of participants and users confirmed their ethnicity so the following data is of limited use.</li> <li>• Almost 80% of participants/users who did confirm their ethnicity categorised it as “other” with no further details.</li> <li>• Of those who did state a particular ethnic group the largest category was White British (5.7%).</li> <li>• There is no breakdown per site or per activity.</li> </ul> <p>There are no activities listed that are specifically priced differently for different ethnicities.</p>
<p>4.</p>	<p>What are any likely positive impacts for the group/s identified in (3) above? You may wish to refer to the Equalities Duties detailed in the background information.</p> <p>For a number of activities junior, adult and senior users will find that prices are still less than any near-by provision. In addition, there are 32 activities (covering junior/family, adult and concession) that will not see any additional price increases this year.</p> <p>Across all activities the additional price rises average at 6% which is below current inflation of 7% (March 2022) and the predicted CPI of 10% in quarter 4 2022/23. There are 98 activities listed and 39% have no price increase over and above that already introduced in June 2022. This is a positive impact for all groups.</p> <p>All membership packages (which offer better value for money for all users) are remaining at the June 2022 price and are not increasing. All but one of the membership packages are cheaper than similar packages at the nearest alternative venues.</p>

Appendix Bi – EIA additional price increases Everyone Active

<p>5.</p>	<p>What are the likely negative impacts for the group/s identified in (3) above? If so, then are any particular groups affected more than others and why?</p> <p><i>Across all activities listed, 62% will see a price increase in addition to those already experienced in June 2022.</i></p> <p><i>Young people making use of the special junior rates will see more of these activities becoming 10+% higher than in the nearest competitor venues than activities for adult or adult concession groups.</i></p> <p><i>When comparing current prices introduce in June 2022 to the proposed new prices the average price increase for adult concession activity is 9% while for young people/family activities the price increases average at 8% and for adult prices the increase averages at just over 3%.</i></p> <p><i>The top three highest price increase between June 2022 and September 2022 will be seen in Off-Peak adult gym sessions (33% increase), Family Ice-Skating (30%) and Ladies-only gym session (28%). These activities are currently little used even though they have been significantly cheaper than other related sessions across the service.</i></p> <p><i>There are no particular age groups more negatively impacted than others. Across age groups each group (under 16s, adults and seniors) will see some price increases, some prices remaining the same, some prices higher than competitor venues and some cheaper than competitor venues. Women who prefer Ladies-only gym sessions will see a significant price rise and there is no data to show that other gyms offer this facility at all.</i></p>
<p>6.</p>	<p>Have the impacts identified in (4) and (5) above been assessed using up to date and reliable evidence and data? Please state evidence sources and conclusions drawn (e.g. survey results, customer complaints, monitoring data etc).</p> <p><i>The data used to assess the impacts is participation data per session provided by Everyone Active.</i></p>
<p>7.</p>	<p>Have you engaged or consulted with any identified groups or individuals if necessary and what were the results, e.g., have the staff forums/unions/ community groups been involved?</p> <p><i>No</i></p>
<p>8.</p>	<p>Have you considered the impact the policy might have on local community relations?</p>

Appendix Bi – EIA additional price increases Everyone Active

	<p><i>Yes. Without clear communications around the reasons for the price increases, confirmation that not all prices will increase, the ongoing value offered by memberships (which have not increased) and the comparison with alternative providers these increases could damage community relations.</i></p>
9.	<p>What plans do you have in place, or are developing, that will mitigate any likely identified negative impacts? For example, what plans, if any, will be put in place to reduce the impact?</p> <p><i>To reduce the negative impacts a clear and comprehensive local communication plan must be put in place by Everyone Active which outlines the issues suggested in section 8 plus any added value that Everyone Active offer over other local offers. This could include price of travel, ease of access by public transport, standard of proactive guidance and support offered by staff, standard of professional training, quality of sites etc.</i></p> <p><i>Everyone Active to identify improvements in user data collection to ensure that there is a good evidence base to assess if higher than inflation price rises are proposed in any future years.</i></p>
10.	<p>What plans do you have in place to monitor the impact of the proposals once they have been implemented? (The full impact of the decision may only be known after the proposals have been implemented). Please see action plan below.</p> <p><i>Everyone Active will continue to collect user data to allow comparisons with pre-September overall use and use by particular groups to be monitored. They will also identify any improvements to data collection to increase our joint understanding of service users.</i></p>

Appendix Bi – EIA additional price increases Everyone Active

<b>What course of action does this EIA suggest you take? More than one of the following may apply</b>	✓
<b>Outcome 1: No major change required.</b> The EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken	✓
<b>Outcome 2: Adjust the policy</b> to remove barriers identified by the EIA or better promote equality. Are you satisfied that the proposed adjustments will remove the barriers identified? (Complete action plan).	
<b>Outcome 3: Continue the policy</b> despite potential for adverse impact or missed opportunities to promote equality identified. You will need to ensure that the EIA clearly sets out the justifications for continuing with it. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact (see questions below). (Complete action plan).	
<b>Outcome 4: Stop and rethink</b> the policy when the EIA shows actual or potential unlawful discrimination. (Complete action plan).	

**Action Plan and Timetable for Implementation**

At this stage a timetabled Action Plan should be developed to address any concerns/issues related to equality in the existing or proposed policy/service or function. This plan will need to be integrated into the appropriate Service/Business Plan.

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<b>Action</b>	<b>Target Groups</b>	<b>Lead Responsibility</b>	<b>Outcomes/Success Criteria</b>	<b>Monitoring &amp; Evaluation</b>	<b>Target Date</b>	<b>Progress to Date</b>
Monitor any queries/complaints prices of women-only gym sessions (and/or demand for more women-only sessions) to assess impact of the price increase.	Women	Kam Birdie/Luke Routhorn	If no or low number of complaints/queries are received, then no further action.  If more than 10% of all queries/complaints received about services provided by EA are about the cost of women-only gym sessions,	Monitored at regular operational contract management meetings.	January 2023	Regular operational contract management meetings take place every 2-weeks.

Appendix Bi – EIA additional price increases Everyone Active

			then further investigation will be carried out to see if additional mitigations are possible.			
<p><b>Name: Liz Jones (SBC)</b></p> <p><b>Signed:</b> <i>Liz Jones</i> (Person completing the EIA)</p> <p><b>Name: Luke Routhorn (Everyone Active)</b></p> <p><b>Signed:</b> (Person completing the EIA)</p> <p><b>Name:</b> .....</p> <p><b>Signed:</b> .....( Policy Lead if not same as above)</p> <p><b>Date: 1 June 2022</b></p>						

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## Equality Impact Assessment

<b>Directorate:</b> Place and Community	
<b>Service:</b> Leisure Services (Everyone Active)	
<b>Name of Officer/s completing assessment:</b> Liz Jones (SBC) & Luke Routhorn (Everyone Active)	
<b>Date of Assessment:</b> June 2022	
<b>Name of service/function or policy being assessed:</b> Suspension of Everyone Active community programme	
1.	<p>What are the aims, objectives, outcomes, purpose of the policy, service change, function that you are assessing?</p> <p><i>The aim of the community-programme delivered by Everyone Active is to promote and increase take-up of physical activities by residents who may not be comfortable (or be able to afford) using leisure centres.</i></p>
2.	<p>Who implements or delivers the policy, service or function? State if this is undertaken by more than one team, service, and department including any external partners.</p> <p><i>Everyone Active (external service partner)</i></p>
3.	<p>Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc. Please consider all of the Protected Characteristics listed (more information is available in the background information). Bear in mind that people affected by the proposals may well have more than one protected characteristic.</p> <p><b>Age:</b>  <b>Disability:</b>  <b>Gender Reassignment:</b>  <b>Marriage and Civil Partnership:</b></p>

Appendix Bii – Community programme Everyone Active

	<p><b>Pregnancy and maternity:</b>  <b>Race:</b>  <b>Religion and Belief:</b>  <b>Sex:</b>  <b>Sexual orientation:</b>  <b>Other:</b></p> <p><i>The Everyone Active community-programme is aimed to target Slough residents who do not use leisure centres to access physical activity. This programme was suspended in 2020 due to Covid-19 lockdown restrictions, and the programme began in 2018. During this time no protected characteristic data was collected by Everyone Active.</i></p> <p><i>During programme delivery an average of 25 people attended sessions each week. Six sessions were provided each week – these were:  Seated exercise (aimed at residents with mobility restrictions) = 4 sessions per week (average attendance 32 people per session)  After school football (aimed at young people) = 1 session per week (average attendance 2 people per session)  Green gym session (general audience) = 1 session per week (average attendance 19 people per session)</i></p> <p><i>This data suggests that residents with mobility related disability and/or are older will be most affected by the community-programme not re-starting in 2022/23.</i></p>
4.	<p>What are any likely positive impacts for the group/s identified in (3) above? You may wish to refer to the Equalities Duties detailed in the background information.</p> <p><i>No direct positive impacts. However, the programme has not been operational for two years so there are no current programme users who will actively miss the sessions.</i></p>
5.	<p>What are the likely negative impacts for the group/s identified in (3) above? If so then are any particular groups affected more than others and why?</p> <p><i>The data does not allow definite descriptions of the groups who may be particularly negatively impacted. However, residents with a mobility disability and/or older residents may be negatively impacted if these sessions were the only or main physical activity they participated in.</i></p>
6.	<p>Have the impacts identified in (4) and (5) above been assessed using up to date and reliable evidence and data? Please state evidence sources and conclusions drawn (e.g. survey results, customer complaints, monitoring data etc).</p>

## Appendix Bii – Community programme Everyone Active

	<i>The data used to assess the impacts is participation data per session provided by Everyone Active.</i>
7.	<p>Have you engaged or consulted with any identified groups or individuals if necessary and what were the results, e.g., have the staff forums/unions/ community groups been involved?</p> <p><i>No</i></p>
8.	<p>Have you considered the impact the policy might have on local community relations?</p> <p><i>Yes. Without mitigation there could be a negative impact on residents who cannot afford or feel uncomfortable using leisure centre activities.</i></p>
9.	<p>What plans do you have in place, or are developing, that will mitigate any likely identified negative impacts? For example, what plans, if any, will be put in place to reduce the impact?</p> <p><i>To reduce these negative impacts the council has already worked with Sport England to allow the community-based activity work previously only delivered in Chalvey to be expanded across the borough. The Council's Leisure Service is currently in the process of mapping community physical activity programmes delivered across the borough by other organisations to identify gaps in community-based outreach provision. The remaining Sport England grant (to 2023/24) will be used to commission non-council and non-Everyone Active providers to deliver specific activity outreach programmes. In addition, the Council will re-focus the work of the Active Communities Officer to deliver outreach programmes for particularly hard to reach groups in the borough (based on mapping exercise) so work will continue beyond the life of the Sport England grant.</i></p> <p><i>In addition, the Council will continue to identify new opportunities (e.g., working with Lawn Tennis Association and ParkRun) to promote casual use of community sports and leisure resources across the borough.</i></p>
10.	<p>What plans do you have in place to monitor the impact of the proposals once they have been implemented? (The full impact of the decision may only be known after the proposals have been implemented). Please see action plan below.</p> <p><i>All sessions commissioned by or provided directly by SBC will collect detailed participation data. This will allow an improved understanding of which residents are using these programmes and will inform future delivery programmes (including bidding for external funds). This is an ongoing commitment to improved understanding of our customers.</i></p>

Appendix Bii – Community programme Everyone Active

	<p><i>This refreshed and robust customer understanding will also allow more targeted promotion of activities to particularly under-represented groups.</i></p> <p><i>The Council will share this data with Everyone Active when they re-start their community-programme in 2023/24 so they can also focus their delivery to particular groups. We will also be clear about the detail of the participation data to be collected by the service partner.</i></p>
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## Appendix Bii – Community programme Everyone Active

<b>What course of action does this EIA suggest you take? More than one of the following may apply</b>	✓
<b>Outcome 1: No major change required.</b> The EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken	
<b>Outcome 2: Adjust the policy</b> to remove barriers identified by the EIA or better promote equality. Are you satisfied that the proposed adjustments will remove the barriers identified? (Complete action plan).	
<b>Outcome 3: Continue the policy</b> despite potential for adverse impact or missed opportunities to promote equality identified. You will need to ensure that the EIA clearly sets out the justifications for continuing with it. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact (see questions below). (Complete action plan).	✓
<b>Outcome 4: Stop and rethink</b> the policy when the EIA shows actual or potential unlawful discrimination. (Complete action plan).	

### Action Plan and Timetable for Implementation

At this stage a timetabled Action Plan should be developed to address any concerns/issues related to equality in the existing or proposed policy/service or function. This plan will need to be integrated into the appropriate Service/Business Plan.

Action	Target Groups	Lead Responsibility	Outcomes/Success Criteria	Monitoring & Evaluation	Target Date	Progress to Date
Mapping of current provision and gap analysis to identify what community activity programmes to commission.	All	Kam Birdie	Comprehensive list and map of all current provision and analysis of gaps based on geography, protected characteristics and other vulnerabilities such as care leavers.	In regular supervision sessions	July 2022	Informal understanding being collated and critically challenged by community partners.
Publication of new commissioning process	All	Kam Birdie	Sport England grant spent on delivering local	Quarterly commissioning	October 2022	

Appendix Bii – Community programme Everyone Active

for groups to take part in to delivery outreach/community programmes across Slough targeting known hard to reach groups/locations.			sports/leisure outreach programmes.  All commissioned services collect and analyse participation data to assist with future programme design.	management meetings with partner organisations.		
Newly commissioned services to actively promote community sessions to hard-to-reach groups/localities to drive participation	All	Active Communities Behaviour Change officer	Increase in participation rates amongst traditionally hard to reach groups.	Quarterly commissioning management meetings with partner organisations.	October 2022 & ongoing	
Share anonymised participation & programme data with Everyone Active to inform their future delivery of community outreach programmes.	All	Kam Birdie/Luke Routhorn	Refreshed gap analysis undertaken by Everyone Active.  New community outreach programme designed and delivered.	Fortnightly operational contract monitoring meetings.	February 2023	

**Name: Liz Jones**

**Signed: (Person completing the EIA)**

**Name: Luke Routhorn**

**Signed: (Person completing the EIA)**

Appendix Bii – Community programme Everyone Active

<b>Name:</b> .....
<b>Signed:</b> .....( <b>Policy Lead if not same as above</b> )
<b>Date:</b> 31 May 2022

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**SLOUGH BOROUGH COUNCIL**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	Monday 18 <sup>th</sup> July 2022
<b>SUBJECT:</b>	Charging for Garden Waste Collection
<b>PORTFOLIO:</b>	Transport & The Local Environment
<b>CHIEF OFFICER:</b>	Richard West
<b>CONTACT OFFICER:</b>	Savio DeCruz
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	YES
<b>EXEMPT:</b>	NO
<b>DECISION SUBJECT TO CALL IN:</b>	YES
<b>APPENDICES:</b>	Appendix 1 – Equalities Impact Assessment

**1 Summary and Recommendations**

1.1 This report sets out the opportunity to charge for garden waste collection and by so doing significantly improve the financial position of the authority

**Recommendations:**

Cabinet is recommended to agree to:

- a) Introduce a charge of £50 per year per 240L green wheeled bin for the collection of garden waste over 50 weeks (break for 2 weeks over Christmas). The 50 week period would start on the 1 November each year. The first year will commence on Tuesday 1 November 2022.
- b) Existing 240L green wheeled bins which have already been allocated will remain with those households irrespective of whether the householder wishes to pay for a future garden waste collection service, to keep costs to a minimum and to enable anyone who is a subscriber to the current free collections to be able to subscribe to the chargeable service easily should they later decide they wish to do so. But waste will only be collected from those households who have paid for the collection service.
- c) With effect from 1 August 2022, new subscribers to the Garden waste service will be charged £45 for provision of a green 240L wheeled bin which may be new or reconditioned (second hand).
- d) A further report to come to September Cabinet setting out how we will reform and adapt our general waste and recyclables collection services, as part of the commitment in the Improvement & Recovery Plan to produce a comprehensive

waste and recycling plan. This will include how best to position the authority to move to the standard waste collection model set out in the Environment Act 2021

**Reason:** The majority of local authorities charge for garden waste collection and many charge for the provision of wheeled bins. It is estimated that charging for garden waste collection would provide a significant income to SBC of between £700k and £900k depending on take up and the period (number of weeks over which we make collections) but this cannot be guaranteed. Charging for wheeled bins would make provision of future 240L green wheeled bins cost neutral to the authority

## **Commissioner Review**

*“The Commissioners are content with this report.”*

## **2 Report**

### **Introductory paragraph**

2.1 Garden waste collection is a service for which local authorities are able to make a charge and the majority of local authorities choose to do so. SBC currently provide a free of charge garden waste collection to residents but our financial position is such that we now need to consider making a charge. The proposed charge is in line with charges made to residents by neighbouring local authorities. Charging for garden waste collection may encourage home composting (which is the best way to manage garden waste, as well as compostable household waste) and will bring new income from those residents who choose to have a garden waste collection.

### **Options – Garden waste Charges**

- **Option 1** – continue with a free of charge garden waste collection over 9 months of the year March to November (40 weeks), the “main growing season”
- **Option 2** – charge for the collection of garden waste over 9 months of the year March to November (40 weeks) the “main growing season”.
- **Option 3** - charge £50/year per 240L green wheeled bin for the collection of garden waste over 50 weeks (break for 2 weeks over Christmas) which would align us with neighbouring and Berkshire authorities. The 50 week period would start on the 1 November each year. The first year will commence on Tuesday 1 November 2022.

### **Background**

2.2 Local authorities have a responsibility to lead in protecting the environment for future generations by using resources efficiently and by reducing the amount of waste that society creates. Where garden waste is created then we need to compost this waste wherever practicable rather than disposing of it to incineration or to landfill. We currently do this by encouraging home composting (best option) and by providing a garden waste collection service with the collected garden waste processed into compost using a windrow composting system at a private sector facility.

- 2.3 We have a contract with Shorts until 21 February 2023 for offtake of garden waste at the outdoor windrow composting facility at Planners Farm, nr Winkfield (a new contract will need to be procured in the forthcoming months). There is no contractual limit to the volume of waste which we can deliver to the Planners Farm Composting Facility but there are constraints over changing the composition of the waste delivered. Garden waste needs to be a mix of woody waste and softer waste (grass cuttings) in order to facilitate windrow composting. The process produces PAS 100 accredited compost.
- 2.4 Our current garden waste collection service is a free of charge fortnightly “Opt In” service. The service is provided over 39/40 weeks between March and November each year (9 months). This is the main growing season and also covers the majority of the leaf drop season. We used to collect over 50 weeks of the year but we moved to 9 months in 2020/21 to deliver a saving of £71k / year in collection costs. People with larger gardens have more need for a 50 week cycle than those with smaller gardens. Those people with larger gardens are more likely to subscribe to a chargeable garden waste collection than those with smaller gardens.
- 2.5 We currently provide garden waste collection to approximately 28,000 of our c40,000 street properties. New builds with gardens often request the service but the core housing stock is fairly settled so in broad terms it is a service which is provided to around 70% of street properties. It is not normally provided to residents who share communal bins (mostly flats) although there are a few exceptions. The volume of waste is very dependent on the weather. If we have a hot wet spell then volumes increase dramatically, a hot dry spell sees the opposite.
- 2.6 It is important to note that Garden Waste Collection is an optional service. Anyone without a garden or who doesn’t want to have Garden Waste Collections can simply choose not to subscribe. Residents who do not wish to sign up can either home compost or take their garden waste to Chalvey Household Waste & Recycling Centre or to the Buckinghamshire Council Household Recycling Centres at Burnham and Langley where it will be recycled (windrow composted) free of charge.
- 2.7 If we choose to charge for garden waste collections then we need to set a charge. The table below sets out the terms under which Berkshire Authorities charge for garden waste collection. It can be seen that:-
- Most authorities provide 25 collections per year, operating a fortnightly collection over 50 weeks
  - Bracknell (£39) and Reading (£48) require that residents buy their green bins
  - Collection charges range from £46/year to £70/year
  - Most do not offer a discount
  - Most do not restrict the number of green bins paid for

	No. Collects / Year	Charge to Buy a Bin	Collection Cost £/Year	£/2nd Bin	Max No. Bins	Discount cost
Bracknell Forest	25	£39	£55	£55	N/A	£28
Buckinghamshire	25	None	£50	£72	N/A	None
Reading	25	£48	£65	£65	2	Reduction Ctax Support
West Berkshire	25	None	£46	£63 yr1 then £36/yr	5	None
RBWM	25	None	£69	£69	N/A	None
Wokingham	21	None	£70	£70	N/A	None

2.8 Advice from WRAP (Waste Resources Action Programme) is that if we introduce a charge for garden waste collection then those residents who have a green wheeled bin are likely to respond as follows:-

- Those who present their green bin for collection regularly are likely to pay
- Those who present their green bin for collection intermittently are unlikely to sign up in the first instance but are likely to join once they have tried alternatives
- Those who present their green bin for collection very infrequently are likely to stop using the green bin rather than pay

2.9 The data available and the advice provided by WRAP indicates that our “Opt In” subscription may fall to around 50% in the first instance and then could rise to approximately 65% as users accept that the service is something that is worth paying for. The table below shows the range of incomes for a series of “what if” scenarios. It can be seen that if 50% of current users subscribe to the new service rising to 65% then we could receive an income of between £700,000 and £900,000 but this is not guaranteed.

**What if "x" % of 28,000 households pay "x" £/yr for garden waste collection**

% Pay / £/Yr	£20	£30	£40	£50	£60	£70
30%	£168,000	£252,000	£336,000	£420,000	£504,000	£588,000
40%	£224,000	£336,000	£448,000	£560,000	£672,000	£784,000
50%	£280,000	£420,000	£560,000	£700,000	£840,000	£980,000
60%	£336,000	£504,000	£672,000	£840,000	£1,008,000	£1,176,000
70%	£392,000	£588,000	£784,000	£980,000	£1,176,000	£1,372,000
80%	£448,000	£672,000	£896,000	£1,120,000	£1,344,000	£1,568,000

2.10 WRAP advise, for administrative ease and to prevent the opportunity for bad debt, that subscribers be required to use an on-line form to subscribe and to make a single payment in advance. On receipt of their payment, subscribers would be mailed a coloured sticker to place on their green bin. There will be a different coloured sticker at the beginning of each garden waste year so every 1 November.

This provides a visual indicator to collection crews as to which green bins to collect and which to leave unemptied – this will be an issue at the beginning of each garden waste collection year.

- 2.11 This is a high volume low price service which needs to be simple to provide and to administer. WRAP advise that subscribers be required to pay the annual fee in advance and to encourage this that we charge the same fee irrespective of when a subscriber joins the service - so if a subscriber joins in week 1 of the service they will pay the annual fee, if they join in week 10, week 20, week 40 or any other week then they will pay the annual fee. The incentive to pay by 1 November each year is that subscribers will benefit from all 50 garden waste collections and will also have the opportunity to dispose of their Christmas tree (real ones not artificial ones) by cutting it into pieces and placing it in the green wheeled bin. Payments will be made by credit/debit card. The opportunity to pay by Direct Debit will be explored and offered as an alternative if practicable.
- 2.12 Collection crews will only collect those green bins which have the correct coloured sticker on them. Those green bins presented without the correct coloured sticker on them will be left and residents advised to subscribe to the scheme.
- 2.13 Collection days will inevitably need to change as a new round structure will need to be built from scratch to reflect the changed operational dynamic caused by a 50% reduction in the number of bins to be collected. As this is a subscription service with communication entirely through email then subscribers can be informed of changes and reminded of changes at will.
- 2.14 It is cost prohibitive to collect unwanted green wheeled bins in situ as a result of our current free of charge opt-in garden waste collection and, in addition, we have very limited storage space at the depot. It is anticipated that a significant number of residents who do not subscribe to the service in the first instance will do so in time as they experience the inconvenience of the alternatives. Green bins will be left with residents irrespective of whether they join the scheme in the first instance to allow this phased migration unless they vociferously object to this. In the event that a resident does not subscribe to the chargeable service and presents their green wheeled bin for garden waste collection then it will be left and the resident will be communicated with. If this happens repeatedly then the green wheeled bin will be removed. Should green bins be misused / presented filled with mixed general waste (refuse) then they will be removed.

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.1 For forecasting purposes it has been assumed that the service will initially generate an annual income of £700k. The subscription year will run from 1 November to 31 October and hence spans two accounting years, with the first subscription year's income being allocated as £292k in 2022/23 and £408k in 2023/24.
- 3.1.2 The annual recurring additional cost to move from collecting 40 weeks of the year to collecting 50 weeks of the year is £71k.
- 3.1.3 The annual recurring additional cost to administer the chargeable service including processing applications to join, dealing with enquiries and issues is estimated to be

£20k per year. This will be to pay for temporary administrative support at peak subscriber points (equivalent of 3 months x 2.5 staff at £7k/month).

- 3.1.4 The one-off cost to set up the online payment form and to carry out the initial publicity and promotion campaign will be £20k, which will fall in 2022/23.
- 3.1.5 Based on the above, the net benefit of the service is estimated to be £180k in 2022/23. 2023/24 would see a full year effect of the income and publicity costs would not be required, therefore on an annualised basis the net benefit would amount to an estimated £609k before inflation.
- 3.1.6 The above projections are based on the assumption of a 50% take up by households at the proposed charge of £50/year, hence are subject to variation in either of these factors.

## 3.2 Legal implications

- 3.2.1 As a Unitary Authority, SBC has responsibility for waste collection and for waste disposal – we are both a Waste Collection Authority (WCA) and a Waste Disposal Authority (WDA). Section 45 of the Environmental Protection Act 1990 (the EPA 1990) makes it a duty of a waste collection authority to arrange for the collection of household waste in its area, except in limited prescribed circumstances. No charge may be made for the collection of household waste, except in cases prescribed in regulations. Where a charge may be levied, a waste collection authority is not obliged to collect the waste until requested to do so and having recovered a reasonable charge for the collection. The Controlled Waste (England and Wales) Regulations 2012 confirm that garden waste is a category of waste for which a charge can be levied for collection.
- 3.2.2 Section 46 of the EPA 1990 confirms that waste collection authorities can require an occupier to place the waste for collection in receptacles of a kind and number specified. In relation to the provision of receptacles, the authority may provide these free of charge, propose that they be provided, if the occupier agrees, by the authority on payment by him of a single payment or such periodical payments as he agrees, require the occupier to provide them if he does not enter into an agreement or require the occupier to provide the receptacles. The authority can also specify the size of receptacles, where they are to be placed for the purpose of emptying and the substance or articles which may or may not be put into them.
- 3.2.3 The Environment Act 2021 contains new duties in relation to collection of recycles and residual waste. This is intended to create a national model of waste collection and disposal in the future:-
- Fortnightly collection of general waste
  - Fortnightly collection of paper and card for recycling (fibre collection)
  - Fortnightly collection of mixed dry recyclables (excluding paper & card) including glass bottles and jars, plastic bottles, other plastics, tetra-pak for recycling etc
  - **Fortnightly collection of garden waste**
  - Weekly collection of food waste

The new duties have not yet been brought into force, however they will not change the existing legislation which permits a separate charge to be levied for garden waste and other prescribed types of waste.

3.2.4 Section 51 of the EPA 1990 places a duty on waste disposal authorities to arrange for places to be provided at which persons resident in its area may deposit their household waste and for the disposal of waste so deposited. The places shall be situated so as to be reasonably accessible to residents in the area, are open at reasonable times and are available for deposit of waste free of charge. Garden waste can be taken to household recycling centres in the local area and disposed of free of charge as an alternative to a paid collection service.

### 3.3 Risk management implications

3.3.1 Willingness to pay for a garden waste collection is an unknown so the estimated income cannot be guaranteed, although the basis of the estimate set out in this report is drawn from intelligence gained from WRAP.

3.3.2 Those residents who choose to stop using the garden waste collection service may instead put garden waste into their grey wheeled bins for disposal. Where garden waste is found in a grey wheeled bin then it will be left and the resident will be required to remove the garden waste before the grey bin is emptied.

3.3.3 If subscription is significantly lower than anticipated then there may be a need to reduce the number of vehicles, drivers and loaders needed to provide the service – see workforce implications below.

### 3.4 Environmental implications

3.4.1 Charging for garden waste collection may encourage adoption of home composting which brings a net environmental benefit. The Councils website will include information on how to home compost.

3.4.2 If garden waste is placed undiscovered into the general waste collection (grey wheeled bin) then it will go for incineration with energy recovery. This would bring an environmental and economic disbenefit.

### 3.5 Equality implications

3.5.1 Service changes would be applied to all residents. Existing provision to collect and return containers to and from the point of waste collection will continue for those households who do not have a person within the household who is able to do so themselves.

3.5.2 An Equality Impact Assessment is provided as **Appendix 1 – Equality Impact Assessment**.

### 3.6 Procurement implications

3.6.1 None

### 3.7 Workforce implications

- 3.7.1 It has been assumed that the existing two collection rounds of refuse collection vehicle crewed by a driver plus 2 loaders will continue to be needed. Providing that this proves to be the case then there will be no reduction in the workforce. In the event that subscription is lower than expected then we may need to reduce the number of crews to one crew for some or part of the year and/or reduce the number of loaders for some or part of the year.
- 3.7.2 The nature of the service has changed and this may lead to unhappy customers where they have not understood that the service is a chargeable service. Crews and administrators will be trained and supported in dealing with any confrontation that may result.

### 3.8 Property implications

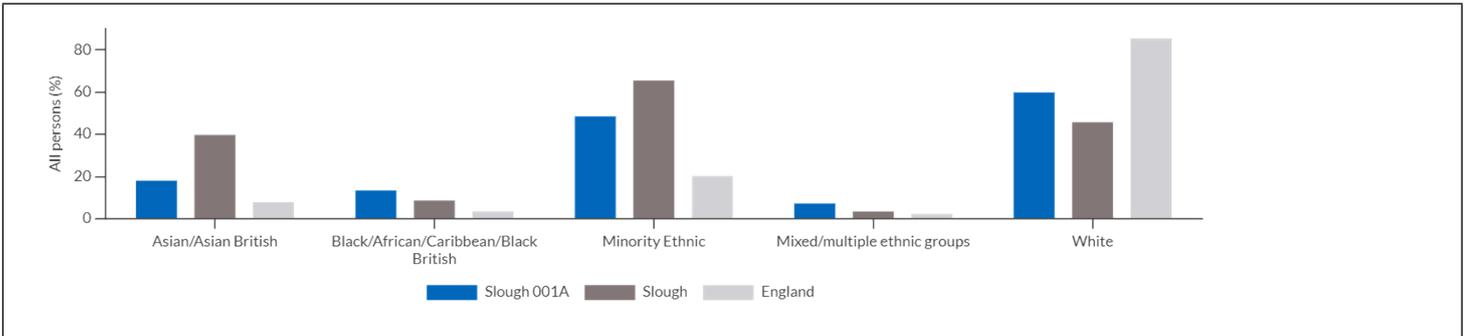
- 3.8.1 None

## **4. Background Papers**

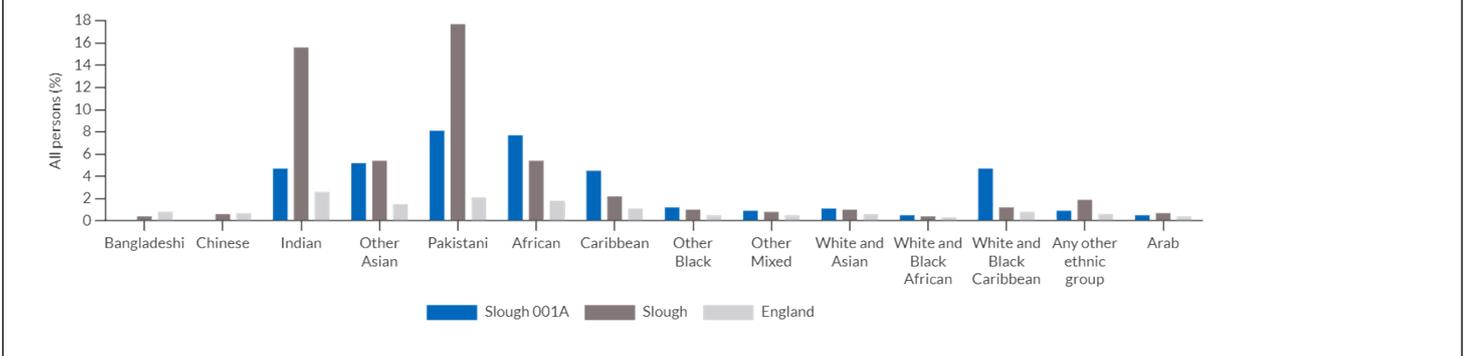
- Municipal Waste Strategy 2015-2030
- The Environmental Act 2021

## Appendix 1 – Equality Impact Assessment

Responsible Officer	Savio DeCruz
Directorate	Place and Community
Service Area	Direct Services Organisation (DSO)
Proposal	Fortnightly Collections and Garden waste Charges
<p><b>Proposed Waste Collection Service Changes:</b></p> <p>The Council currently spends £3.6m /year to provide a weekly collection of residual waste, a weekly collection of recyclable waste and a fortnightly collection of garden waste (garden waste). All collections are in wheeled bins / wheeled containers. We have the power to charge for garden waste collection but choose for our current service to be free of charge. In addition, we spend £5.6m per year disposing of waste – this includes the collected waste just mentioned and also waste and recycling delivered to Household Waste &amp; Recycling Centres, street cleansing arisings, fly-tipping and commercial waste.</p> <p>The Councils financial position demands that that we reduce our costs. We estimate that we can generate between £700k and £1.3m of income to offset collection costs by charging £50/year for fortnightly garden waste collection.</p> <p>This EIA proposes to identify key groups that are affected by both proposals and the relevant mitigation to support the affected groups.</p>	
<p><b>Briefly summarise the key objectives and expected outcomes of the change and explain why it is needed.</b></p> <p>It is proposed that the Council introduce a £50 per year charge to collect garden waste from street properties with their own wheeled bin who choose to pay for a fortnightly garden waste collection (additional bins per property will be charged at £50 per year) It is also proposed that we charge £45/wheeled bin for any resident who requests one after 1 August 2022.</p>	
<p><b>Why the change is needed?</b></p> <p>The Councils financial position demands that we reduce our costs. We can generate between £700k and £1.3m of income to offset collection costs by charging £50/year for fortnightly garden waste collection.</p> <p>The Council will have to identify and implement other more difficult savings options within the Place &amp; Community Directorate if savings are not made in the residual waste and recycling collection service.</p>	
<p><b>Rationale for the Individual Potential Changes to the Waste and Recycling Service</b></p> <p><b>Charging for garden waste:</b> Local authorities do not have to collect garden waste and if they do then they can make a charge if they wish. SBC introduced a free of charge garden waste collection service in 2004 but our financial position now is that we need to either discontinue to provide a garden waste collection service or make a charge for the service.</p>	
<p><b>Does the service carry out equalities monitoring? If No, please state why?</b></p> <p>The Council does not collect equalities monitoring information from residents using waste and recycling collection service, as this a universal service provided to all households in Slough and requests for special assistance can be made. Data is not collected at the moment through resident satisfaction surveys, but will need to be considered as part of the change to ensure that key groups are not further impacted. The Council's borough profile as summarised below gives an overview of the demographic profile for residents and shows how ethnically diverse the population is, this will be updated later this year when the 2021 Census data is published.</p>	
<p><b>Broad ethnicity groups</b></p>	



**Detailed ethnicity groups**



**Please provide an overview of who uses/will use your service or facility and identify who are likely to be impacted by the proposal**

*If you do not formally collect data about a particular group then use the results of local surveys or consultations, census data, national trends or anecdotal evidence (indicate where this is the case). Please attempt to complete all boxes. Consider whether there is a need to consult stakeholders and the public, including members of protected groups, in order to gather information on potential impacts of the proposal.*

Equalities Impact Indicate Yes, No or Not Known for each group	Disability	Age	Sex	Race/Language	Religion & Belief	Sexual Orientation	Marital Status	Households with young children	Socio-Economic
Do people from the following groups benefit from your service?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the change help to eliminate discrimination, promote equality and foster good relations between different groups?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Could the proposal discriminate, directly or indirectly these groups?	No	No	No	No	No	No	No	No	Yes
Could this proposal affect access to your service by different groups?	Yes	No	No	No	No	No	No	Yes	Yes
Could this proposal affect access to information about your service by different groups?	Yes	No	No	Yes	No	No	No	No	No
Could the proposal have an adverse impact on relations between different groups?	No	No	No	No	No	No	No	No	No

### Mitigation against impacts of changes

Introduce an optional garden waste collection service at a cost of £50 per annum. Additional bins are available each chargeable at £50 per year	<p>The change from a free fortnightly collection of garden waste to a charged system for fortnightly garden waste collections may have a disproportionate impact on low-income households with a need for the service regardless of where they live. The Council currently offers a “No Charge” system for residents to drop of their garden waste at the HWRC in Chalvey.</p> <p>Further mitigation could include the Council offering low-income households ‘give back’ offers. These include providing home compost bins to residents adversely affected or people with a need for minimal garden collection services but this is not currently planned.</p>
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**Slough Borough Council**

<b>Report To:</b>	Cabinet
<b>Date:</b>	18 July 2022
<b>Subject:</b>	Slough Urban Renewal - disposals update
<b>Lead Member:</b>	Councillor Anderson, Lead Member for Financial Oversight and Council Assets
<b>Chief Officer:</b>	Richard West, Executive Director Place and Community Steven Mair, Executive Director Finance and Commercial (s151)
<b>Contact Officer:</b>	Dean Tyler, Associate Director Place Strategy and Infrastructure Carmel Booth, Financial Advisor
<b>Ward(s):</b>	All
<b>Key Decision:</b>	YES
<b>Exempt:</b>	Public with exempt appendices under paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972 Act (as amended), as the appendices contain information relating to the financial and business affairs of Slough Borough Council and Muse, and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
<b>Decision Subject To Call In:</b>	YES
<b>Appendices:</b>	Appendix 1 – Summary of Options Appraisal (September 2021)  Confidential Appendix 1 – Financial and Commercial Implications Confidential Appendix 2 – SUR Commercial Overview Confidential Appendix 3 – Site Development Plan: Montem Lane Confidential Appendix 4 – Site Development Plan: Stoke Wharf Appendix 5 – Montem Appropriation Plan

## 1. Summary and Recommendations

- 1.1 This report provides an update on the key sites that are owned by the Council (or part-owned in the case of Stoke Wharf) and are optioned to Slough Urban Renewal (SUR). The report includes a number of recommendations which will enable the disposal of key sites to generate capital receipts for the Council, reduce the Council's financial commitments and secure best value in accordance with the Council's Asset Disposals Strategy and statutory obligations.

### Recommendations:

1.2 Cabinet is requested to:

1. Agree to the disposal strategy for the North West Quadrant (NWQ)<sup>1</sup> site and to delegate authority to the Executive Director Place and Community in consultation with the Lead Member for Financial Oversight and Council Assets and the section 151 officer to pursue that disposal strategy in accordance with the draft Heads of Terms<sup>2</sup>, and to report back to Cabinet for approval to dispose of NWQ on the final agreed disposal terms subject to the demonstration of best value consideration for the disposal.
2. Agree the updated Site Development Plans (SDPs) for Montem Lane and Stoke Wharf which recommend a disposal strategy for each site and to delegate authority to the Executive Director Place and Community in consultation with the Lead Member for Financial Oversight and Council Assets and the section 151 officer to pursue that disposal strategy (including the negotiation and agreement of all legal documents that give effect to the Sale) and to report back to Cabinet for approval of the Adopted SDP's and the final agreed disposal terms, subject to the demonstration of best value consideration for the disposal.
3. Agree to extend the current Option Agreement for Stoke Wharf up to 31<sup>st</sup> December 2022 to allow time for the disposal strategy referred to at 2) to be pursued including (i) the marketing of the Stoke Wharf site and (ii) the agreement of legal documents needed to permit the disposal of the Stoke Wharf site prior to development.
4. Delegate authority to the Executive Director Place and Community in consultation with the Lead Member for Financial Oversight and Council Assets and the section 151 officer to approve a further extension to the Stoke Wharf Option Agreement, depending on the outcome of the marketing exercise to be undertaken in Autumn 2022, to allow for the Sale to complete in early 2023.
5. To note that those parts of the Montem site which belong to the Council are no longer required for the purposes for which they are presently held, and recommend to full Council that officers be authorised to take all necessary steps to appropriate the site (shown edged red on the plan in Appendix 5) for planning purposes to facilitate the carrying out of development, re-development or improvement on or in relation to that land.
6. To note the proposed timetable for the site disposals in para 3.1.6 and further Cabinet decisions required to complete the disposals.

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<sup>1</sup> Also known as the Thames Valley University (TVU) site.

<sup>2</sup> The key principles of the draft Heads of Terms are set out in Commercial Appendix 1.

## Reason

- 1.3 The development of the key sites opted to the SUR partnership would require significant investment from the Council over the next five years based upon previously agreed plans. A disposals strategy is therefore considered to be the most effective way to enable the Council to continue to deliver its financial and strategic objectives. Agreement to the recommendations in this report would reduce the Council's future financial commitments, generate disposal receipts at the earliest opportunity, reduce the Council's borrowing requirements and significantly reduce the Council's risk profile.
- 1.4 The disposal of the three SUR opted sites strongly aligns with the objectives of the Council's Asset Disposals Strategy and supports the delivery of the priority in the new Corporate Plan for "a council that lives within its means, balances the budget and delivers best value for taxpayers and service users."
- 1.5 The disposal of these key sites will enable the Council to simplify its capital and corporate portfolio and enable the Council to focus on its core activities and services.

## Commissioner Review

*"The issues described in this report are complex, but the recommendations reflect the need to secure value for money, reduce the Council's financial liabilities and risks. The commissioners are therefore content with the report (including the associated Part 2 report.)"*

## 2. Report

### Introduction

- 2.1 In 2013, the Council entered into a joint venture Partnership Agreement (SUR) with Morgan Sindall Investments Ltd<sup>3</sup> to deliver a number of development schemes, including community projects. Confidential Appendix 2 provides a summary of the key governance, operational and commercial arrangements in place for SUR (these details are subject to confidentiality restrictions as set out in the Partnership Agreement(s)). A number of Partnership Agreements have been entered into as the partnership has evolved to include more potential sites
- 2.2 This report provides an update on the current position and proposed next steps regarding the Council's negotiations with Muse re the NWQ, Montem Lane and Stoke Wharf sites. SUR has an option to acquire these sites from the Council under the terms of a series of legally binding Option Agreements. Under the terms of the Options Agreement, these sites cannot be disposed of to a third party without permission from Muse, which restricts the viable options available to the Council.
- 2.3 It should be noted that the Partnership Agreements for NWQ/SUR permits (a) the development of the sites by the JV and (b) site disposals. The current Stoke Wharf does not permit the disposal of sites.

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<sup>3</sup> Changed to Muse in Oct 2020 due to a group structure change.

- 2.4 Under the terms of the NWQ/SUR Partnership Agreements, if sites are developed by SUR, as a 50:50 partner in the joint venture, the Council provides capital (in the form of equity) to deliver the schemes, including its land value (at market value). Prior to when the schemes reach unconditionality (contract close), and proceed to construction, the Council's land value is calculated using an open book basis as set out in the relevant Option Agreement. The Council receives a loan note (equity) equivalent to the land value. The Council receives the capital for the land value from the net proceeds of all sales (i.e. out of the total profits generated from the fully sold scheme). The repayment of land value is made prior to the distribution of any profits to the members (Muse and the Council).
- 2.5 Based upon the terms of the existing agreements and latest SUR financial projections, to maintain the Council's 50:50 status in the joint venture, the Council would be required to make further capital commitments estimated to be in excess of £27m<sup>4</sup> over the next 5 years (across the three key sites). This capital investment is in addition to the equity provided by the Council in the form of its land value. Confidential Appendix 1 provides more detailed commercial/financial information on the Council's projected future capital commitments and other financial implications, including the Council's potential liability for WIP costs should these schemes not proceed and potential profit share. Given the Council's current financial challenges, a commitment of this scale is challenging.
- 2.6 The Partnership Agreement(s) sets out the mechanism for the valuation of sites in the event of any disposal.
- 2.7 In view of the Council's financial position and a significant reduction in the Council's capital programme, Officers have sought to review the Council's options to enable the continued development of these sites to deliver the anticipated regeneration benefits to Slough's residents. Officers have considered options to reduce the Council's future financial capital commitments, generate capital receipts/income, reduce its ongoing costs and/or liabilities associated with SUR and minimise financial risk to the Council.
- 2.8 A report on the proposed next steps regarding two further sites within the SUR partnership, namely, Haymill and Wexham, is planned for the autumn.

### **Options review – September 2021**

- 2.9 In August 2021, Montagu Evans were instructed to undertake an Options Appraisal of the key SUR development sites and a Report was provided to LMD in September 2021. A number of options were considered including continuing with existing arrangements and investment plans, terminating existing partnership arrangements and varying the Council's equity / participation on a site by site basis (including the disposal of sites).
- 2.10 Following legal advice it was agreed that there no/limited grounds for terminating the existing arrangements and that the case for continuing with the investment plans was not viable due to the Council's costs and risks associated with that strategy.

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<sup>4</sup> Costs are based upon 2021 estimates. Due to construction material price increases and general inflationary pressures, these costs are likely to increase.

- 2.11 The preferred option was to seek to renegotiate the Council's relationship in each of the key sites to reduce/remove the Council's equity position on a site-by-site basis to move away from the 50% joint venture commitment on each development site (i.e. a site disposal).
- 2.12 It was agreed that this approach would:
- Significantly reduce/eliminate any further Council capital commitment requirements.
  - Reduce the Council's future liabilities in relation to abortive costs/Work in Progress (WIP) costs (under the terms of the Partnership Agreement, all members are eligible for 50% of these costs should a site not proceed to development).
  - Reduce the Council's exposure to additional development risk and costs/site losses<sup>5</sup>.
  - Enable Muse (or another third party) to continue to develop the sites in line with the original SDPs to deliver the regeneration benefits and new homes, including affordable homes.
  - Require Muse to agree to any sale due to the terms of the Options Agreement.
  - Reduce any potential upside financial benefit/profit to the Council.
  - Enable the Council to reduce its debt and borrowing costs and restructure its role across a number of key sites (moving to an enabling rather than a development role).
- 2.13 Appendix 1 to this report provides a summary of the options considered in September 2021 together with the pros and cons of the various options.
- 2.14 Appendix 1 excludes the financial implications of these options – this information is provided in the Confidential Appendix 1. Confidential Appendix 1 also provides a summary of the progress made between October 2021 and June 2022 in pursuing the disposal option. This has included extensive negotiations with Muse, recent market valuations for key sites and further financial and commercial analysis.

## **SUR Sites Overview**

- 2.15 The current position regarding the three key sites that are the subject of this report and opted to SUR is set out below.

### **North West Quadrant**

- The Council acquired the former TVU site in 2016 for £24.2m to facilitate a mixed-use regeneration scheme. The Council entered into a joint venture with Muse (NWQ LLP) and entered into an Option Agreement for the site which facilitated Muse's funding of the masterplanning and other pre-development due diligence.
- A NWQ masterplan was prepared in Spring 2021 which proposed c 1300 apartments and 45,000sqm of commercial space. Muse subsequently prepared a detailed Business Plan in accordance with the Option Agreement

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<sup>5</sup> Due to, for example, an economic downturn, inflationary pressures, abnormal site issues or unexpected costs.

prior to preparing a planning application. Following the Council issuing the S114 Notice, the NWQ joint venture Business Plan adoption process was put on hold. This effectively paused all work including progress with the planning application.

- The Montagu Evans Options Appraisal in September 2021 recommended a preferred option for the site which has been pursued in FY 22/23. This has resulted in negotiations with a purchaser to acquire the site/enter into a new (partnership) agreement with Muse. Negotiations have reached an advanced stage where a financial/commercial basis for progressing a sale has been agreed in principle subject to Cabinet approval. Details of the proposed disposal are contained in Confidential Appendix 1. Cabinet will be required to approve the disposal before the end of September 2022 (see timetable in Confidential Appendix 1).

### **Montem Lane**

- SUR has secured full planning permission for the proposed residential development of the Montem Lane site to include 212 new homes. Planning committee approval was granted in Jan 2021 and the S106 Agreement was executed in April 2022.
- Whilst the original Options Review anticipated that the most likely disposal route would be a sale to Muse, Muse/SUR have proposed a revised disposal strategy based upon the disposal of the consented site<sup>6</sup> which is expected to generate a higher capital receipt compared to the alternative options. Indicative market valuations and other financial implications are included in Confidential Appendix 1. This disposal strategy is expected to generate a higher capital receipt for the Council and at an earlier date (compared to the alternative option which would see Muse acquire and develop the site).
- It is proposed that this site is marketed in Summer 2022 with potential suitable housebuilders and that a sale is agreed subject to the demonstration of best value consideration. Cabinet will be required to approve the final disposal once a sale price and terms have been agreed and best consideration can be satisfied.
- It is anticipated that a receipt could be secured before the end of the Financial Year 2022/23, compared with a receipt by mid/late 2024 under the scenario where Muse acquire and develop the scheme.
- The new SDP (Confidential Appendix 3) was approved by SUR members in June 2022 and is subject to approval by Cabinet in July 2022. This sets out the disposal strategy and proposed route.

### **Stoke Wharf**

- A resolution to grant consent for a residential-led scheme of 312 units was made in February 2021. Muse has continued to engage with the Local Planning Authority to progress the S106 agreement and other planning issues. It is

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<sup>6</sup> Sale of site with planning permission.

unlikely that this will be resolved before the current Option Agreement is due to expire in August 2022.

- Stoke Wharf Developments LLP is a joint venture within a joint venture. The members of Stoke Wharf Developments LLP are SUR and Waterside Place, which is a national joint venture between Muse and the Canal and Rivers Trust (CRT) which specialises in residential led regeneration of unused waterside areas where the CRT is the landowner within Waterside Place.
- As a result of this structure the Council and CRT are 25% members each of Stoke Wharf Developments LLP and Muse is a 50% member.
- The Council and CRT have each committed its land via Option Agreements that expire in August 2022.
- One of the key actions from the September Options Review was to update the Stoke Wharf appraisal to assess the viability of the proposed scheme. This was completed in January 2022 and is now considered to be unviable by Muse for a number of reasons, including changes to core assumptions in relation to build cost inflation and sales value. As a result, this is not a scheme that Muse wish to develop in isolation. Following an options review including indicative market valuations for the site, Muse, acting as Development Manager for the Stoke Wharf joint venture, have presented a commercial case to the landowners (the Council and CRT) to dispose of the consented scheme at the earliest opportunity. Based upon the market valuations, it is anticipated that this route will enable the Council to secure a higher capital return compared to (a) the Council allowing the existing Option Agreement to lapse in August 2022 and (b) proceeding to sell the Council's land in isolation. Confidential Appendix 1 sets out details of the latest market valuations and the financial implications of pursuing a partial or complete site sale.
- The updated SDP (Confidential Appendix 4) has been prepared by SUR which sets out the business plan in support of the disposal route. The new SDP was approved by SUR members in June 2022 and is subject to approval by Cabinet in July 2022.
- The current Stoke Wharf Partnership Agreement does not include a site disposal mechanism. To facilitate this disposal, it is proposed that the existing Option Agreement is extended to the 31<sup>st</sup> December 2022 which will provide sufficient time for the joint venture legal documents to be revised in preparation for disposal. Cabinet will be required to approve the final disposal once a sale price and terms have been agreed and best consideration can be satisfied.

### 3. Implications of the Recommendation

#### 3.1 Financial implications

- 3.1.1 Confidential Appendix 1 sets out the anticipated financial implications of a disposal strategy. This includes details of (a) the level of Council capital commitments that would be avoided (compared to original investment plans) if a disposal strategy was agreed; (b) the Council's anticipated share of WIP on a site-by-site basis should sites not proceed to development; (c) potential profit share based upon latest available plans; and (d) potential disposal receipts to the Council based upon market information/draft heads of terms. This information has informed the selection of a preferred option on a site by site basis.
- 3.1.2 Stoke Wharf and Montem sites will be marketed for sale in FY 22/23 and a decision to sell would be informed by market offers to satisfy best consideration requirements. A s123 best consideration case will be produced for each site.
- 3.1.3 The financial implications for the NWQ site will be confirmed following agreement and approval of the heads of terms. This will be supported by a s123 best consideration case.
- 3.1.4 The recommendations as set out in this report will enable the Council to reduce its ongoing financial commitments and realise value from key sites that are opted to SUR. It will also provide more certainty over the Council's borrowing and resource requirements. These principles will minimise the Council's commercial risks and exposure.
- 3.1.5 As a result of ongoing negotiations and uncertainty with regards to disposal receipts, Confidential Appendix 1 provides a range of potential receipts (if applicable) based upon existing appraisal data and latest available market information.
- 3.1.6 It is anticipated that the receipts to SBC would be phased over 3 years, with the majority in FY 22/23. These are anticipated to be:

<b>Site</b>	<b>Approx. timing</b>
NWQ	Q4 FY 22/23
Montem Lane	Q4 FY 22/23
Stoke Wharf	Q1 FY 23/24

- 3.1.7 It is likely that accounting adjustments will be required following the disposal of these sites due to differences between the Council's asset acquisition/ associated additional costs (fees, demolition, security costs, resource costs) and the disposal proceeds. These will be determined on a case-by-case basis and the Council's asset disposal report and s123 best consideration case will set out any implications.

### 3.2 Legal Implications

3.2.1 The Council has statutory powers to dispose of land, including under the:

- Section 123 of The Local Government Act 1972;
- Housing Act 1985;
- Section 233 of the Town and Country Planning Act 1990;
- Local Authorities (Land) Act 1963;
- Housing and Planning Act 2016; and
- Localism Act 2011.

Under section 123 of the Local Government Act 1972 (LGA 1972), the Council has a statutory duty to sell land at the best price reasonably obtainable. What is reasonable in any particular case depends entirely on the facts of the transaction. Although there is no absolute requirement to market the land being disposed of, or to obtain an independent valuation, to comply with the duty, the Council should obtain independent professional valuation advice, as a failure to take proper advice can constitute a breach of section 123 of the LGA 1972.

All disposals need to comply with the UK's public subsidy rules. A disposal at less than best consideration means that the Council could be providing a subsidy. Also, where the consideration received includes an obligation to carry out specific works, the arrangement may be caught by the public procurement regime.

3.2.2 The Council's existing joint venture obligations were procured in 2012 under a compliant public procurement procedure. The JV is governed by (amongst other documents) a combination of the SUR Partnership Agreement (PA), the NWQ PA and the individual site Option Agreements (OA).

3.2.4 Section 122 of the Local Government Act 1972 and section 232 of the Town and Country Planning Act 1990 (TCPA) offer the mechanisms under which the Council can appropriate land for planning purposes

### 3.3 Risk Management

3.3.1 The decision and recommendations required from Cabinet, as outlined in this Report, are intended to minimise financial and commercial risks to the Council whilst enabling a number of key developments to proceed with the intended regeneration benefits as planned. If the principles put forward in the recommendations are not agreed this will result in a delay in the restructuring of the Council's role in each site and as such there are specific risks as summarised in the following.

<b>RISK</b>	<b>SUMMARY</b>	<b>Mitigations to be reviewed</b>
Financial	<ul style="list-style-type: none"><li>• Delay to realising capital receipts impact wider financial plans, cashflows and financing</li><li>• Cost increases (and time delays) to deliver schemes – e.g. construction cost inflation and wage inflation</li></ul>	<ul style="list-style-type: none"><li>• Cabinet decision to progress the recommendations of the Cabinet report in principle approach is taken in July 2022</li><li>• Sale process for Montem and Stoke Wharf to seek</li></ul>

RISK	SUMMARY	Mitigations to be reviewed
	<ul style="list-style-type: none"> <li>• Viability of schemes at risk due to changing economic circumstances – construction cost increases, market changes, demand changes</li> <li>• Ongoing Council costs associated with each site</li> <li>• Failure to achieve best consideration</li> <li>• Loss on sale of assets</li> <li>• Higher level SUR operating costs due to an inability to reduce the scale of SUR operations</li> </ul>	<ul style="list-style-type: none"> <li>• open market offers with ability to expedite land offers, providing more certainty re best consideration</li> <li>• Progressing a disposal of NWQ to a purchaser not reliant on raising external funding</li> <li>• All capitalised costs to be reviewed on a site-by-site basis to determine the extent of any losses on sale. Details to be included in the asset disposal report as part of a disposal decision</li> <li>• Regular discussion at SUR Board level including revisions to appraisals and market data</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• Delay to negotiations on Heads of Terms</li> <li>• Council continues to be tied in to existing Options – resulting in site paralysis and uncertainty</li> <li>• Potential breach of conditions in the Partnership Agreement in relation to approval of business plans and site conditions</li> <li>• SUR Sites deprioritised over NWQ</li> <li>• Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-weekly all party Corporate Oversight Board meetings</li> <li>• Regular weekly engagement with all legal and commercial advisors</li> <li>• Bi-weekly meeting with Council and NWQ proposed purchaser on HoT and legal requirements</li> <li>• Ongoing dialogue between members re potential disputes</li> <li>• Each disposal to be supported by a disposal report (to be approved by Cabinet) including a statement on s123</li> <li>•</li> </ul>
Outputs / benefits	<ul style="list-style-type: none"> <li>• Delay to start on site for key sites and regeneration benefits/homes</li> <li>• Land banking or site flipping – fail to deliver key regeneration schemes and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Regular risk assessment undertaken by COB and reported to Risk and Audit Board, and, Exec Management Team</li> <li>• Marketing of key sites with reputable housebuilders/ partners with strong track record</li> </ul>

<b>RISK</b>	<b>SUMMARY</b>	<b>Mitigations to be reviewed</b>
		<ul style="list-style-type: none"> <li>• SUR members (incl Council) responsible for agreeing purchaser</li> <li>• Overage agreements for major sites</li> </ul>
Reputational	<ul style="list-style-type: none"> <li>• Unable to agree Heads of Terms and a way forward - schemes will be on hold pending a resolution. Inability to deliver regeneration schemes</li> <li>• Loss of market confidence in local area</li> <li>• Sites remain undeveloped and physically unattractive</li> </ul>	<ul style="list-style-type: none"> <li>• Governance, project management and decision making operate effectively to deliver best value solution for Council, partner and community</li> <li>• If principles not agreed then Council to formulate a Plan B for each site by Q3 FY 22/23</li> <li>• Phased and managed asset sales programme</li> </ul>

#### 3.4 Environmental Implications

3.4.1 No environmental implications have been identified as a direct result of this report.

#### 3.5 Equality implications

3.5.1 No equality implications have been identified as result of the options in this report.

#### 3.6 Procurement implications

3.6.1 The Council has taken legal advice on the potential procurement risks associated with the proposed strategy and changes. No issues have been identified for the Council.

### 4. **Background Papers**

None

## PART 1

### Appendix 1 – Summary of September 2021 Options Appraisal

Note that the original Options Review related to all key opted sites, including NWQ

Option	Summary
<p><b>Option 1:</b> Proceed with the existing contractual joint venture arrangements (without change)</p>	<p>Under the terms of the existing contractual agreements, the sites would require significant additional speculative expenditure to enable SBC to maintain its 50% share of the joint venture.</p> <p>Given the Council's financial position and its requirement to reduce borrowing, reduce costs and limit financial exposure and development risk, this is not considered a viable option for the Council. The Council is required to reduce its capital programme and future commitments.</p> <p><i>Update: market conditions continue to change which is likely to increase the Council's capital requirements and impact upon the viability of some schemes. In addition, the Council's financial position is clearer; further impacting on the affordability of ongoing capital schemes.</i></p>
<p><b>Option 2:</b> Break the current Legal Agreements with SUR &amp; sell sites</p>	<p>The SBC owned sites are subject to legally binding Option Agreements (OA) for varying lengths of time. Based upon legal advice, this is not a viable option. This is likely to be a difficult case to establish and would be expensive and a lengthy process.</p> <p><i>Update: comments still remain valid</i></p>
<p><b>Option 3:</b> Sell the sites to Muse to realise land value this financial year</p>	<p>It is not a viable option – it is not feasible to secure capital receipts for the sale of land in all sites. There is no appetite for Muse to step-in and speculatively acquire the sites within this timeframe.</p> <p>To achieve this, it is likely that SBC would be required to make significant financial concessions to make this option attractive. Further reductions in the anticipated land receipts would undermine the Best Consideration requirements and it would be difficult for the Council to justify this approach and statutory compliance with s123.</p> <p><i>Update: still remains valid – no appetite to acquire in current FY</i></p>
<p><b>Option 4:</b> Minimise the Council's capital investment and risk whilst maximising land receipts [<u>a negotiated disposal of sites – with consent from Muse</u>]</p> <p><b><u>RECOMMENDED</u></b></p>	<p>This approach would see SBC not investing any further capital in the sites and would instead re-structure its commitment on a site by site basis. This could be a partial or full sale to Muse (or another party but only with agreement by Muse due to the terms of the Options Agreement).</p> <p>From the review of the Council's options, this option provides the ability to maximise the Council's capital recovery within an optimum timescale whilst enabling the Council's regeneration aims to be progressed by a third party. Best consideration cases would be essential to any decision to dispose.</p> <p>The level of Council control following the disposal of the sites will be limited to relevant contract conditions, but it will not have any day-to-day involvement as a Developer/Investor.</p> <p><i>Update: Initial assessment of this option suggested that Muse would be most likely to acquire the sites, however this has now been widened to include a potential SUR disposal due to market values (details set out in</i></p>

Option	Summary
	<p><i>Confidential Appendix 1). This could initially be achieved for Montem, NWQ and Stoke Wharf - (subject to receiving and agreeing acceptable disposal offers/terms. The agreed way forward on other sites would be subject to revised SDPs.</i></p>
<p><b>Option 5: Minimise further capital investment to land only whilst maximising land receipts</b></p>	<p>This is a hybrid version of option 4 – the difference being that SBC could leave its land value in each site invested as “equity” in return for a profit share in proportion to its equity holding. This would delay the timing of the Council’s land receipts from each land disposal until the completion and sale of residential units to realise the (anticipated) net profit on each scheme.</p> <p>This would continue to expose the Council to development risk and delay recovery of capital by a number of years. For these reasons this is not considered to be a suitable option in the circumstances.</p> <p><i>Update: comments remain valid. A partial disposal does not satisfy the Council’s objectives of reducing financial risk, costs, capital commitments and debt.</i></p>

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