

Cabinet – Meeting held on Wednesday, 21st September, 2022.

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

Also present under Rule 30:- Councillors Muvvala, Smith and Strutton

PART 1

30. Declarations of Interest

No declarations were made.

31. Minutes of the Meeting held on 18th July 2022

Resolved – That the minutes of the meeting of the Cabinet held on 18th July 2022 be approved as a correct record.

32. Finance Action Plan Update

The Lead Member for Financial Oversight & Council Assets introduced the latest Finance Action Plan report which updated Cabinet on the key areas of work undertaken in response to the serious financial challenges and recommendations made by a range of external agencies. The Cabinet was asked to recommend the report to Council on 22nd September 2022.

It was reported that the Council's strategy which included the sale of assets to reduce borrowings and MRP/interest costs, and reducing net expenditure was starting to come to fruition, although the Lead Member emphasised that there was a significant amount of work to do before the Council's financial position was stabilised.

It was estimated that the overall capitalisation direction could be reduced from a potential total of £782m to £369m. The improvement was due to several factors including improved and accelerated asset sales leading to earlier financing and hence reductions in MRP profiling, together with improvements to the collection fund, council tax and funding settlement figures. The assumptions that underpinned the figures was summarised and the key risks and pressures were discussed including pay inflation, contract inflation and social care reform. The Cabinet recognised that the figures in the report would undoubtedly change and it remained essential that the modelled asset sales and savings plans, or alternate savings, were delivered. Whilst many challenging decisions would still need to be taken in the coming months and years, Lead Members cautiously welcomed the improvement in the position. The Leader of the Council reiterated the importance of adhering to the agreed financial strategy, particularly continuing to identify and deliver departmental savings, but that the report set out a path to the financial sustainability of the authority.

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Lead Members asked about the progress on the accounts and the Executive Director responded that the accounts were on track, noting that 2018/19 was a challenging audit and there may be some delay.

Councillor Strutton addressed the Cabinet and commented on the late publication of the report.

At the conclusion of the discussion the Cabinet welcomed the report and agreed the importance of continuing to deliver the agreed financial strategy. The report was recommended to Council.

Resolved –

(a) That the update on the key areas of the work undertaken to respond to the many and very serious financial challenges and the recommendations made by external agencies be received. Specifically, on the following issues:

- capitalisation direction and changes to the estimated value of this
- progress being made on generating capital receipts
- MRP
- the Council's borrowing levels
- accounts
- budgets
- the dedicated schools grant
- the finance structure
- revenues and benefits

(b) That the progress and issues arising from the continued work on the above be noted.

Recommended –

(c) That the report be recommended to Council.

33. Financial Update Report - 2022/23

The Lead Member for Financial Oversight & Council Assets introduced a report that set out the forecast monitoring position as at Month 4 of the 2022/23 financial year covering revenue, including Dedicated School Grant and schools, treasury management and capital for both the General Fund and Housing Revenue Account.

It was noted that the forecast year end General Fund position for 2022/23 was a fully balanced, taking into account the provisions of the capitalisation direction, however there was an overspend across service areas of £7.6m including a shortfall on in-year savings of £4.4m against the £20m target. This had been offset by factors including the improvement in the collection fund position and impact of capital receipts on MRP. There were significant

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budget pressures and an additional provision of £4.4m had been made for cost of living and inflation impacts than had originally allowed for in the 2022/23 budget. Lead Members discussed a number of matters in the report including borrowing and it was noted that whilst temporary borrowing was forecast to reduce by £115m interest payable on temporary borrowing was forecast to increase by £4.7m. The importance of asset sales was recognised both to reduce borrowing and “de-risk” the Council. There had been some slippage in the much reduced capital programme which had also reduced the need to borrow.

The Leader highlighted the Commissioners comments which raised concern about the shortfall of 22% in the delivery of savings proposals which was forecast to be largely offset by increased corporate savings and adjustments. The Cabinet agreed the importance of achieving planned savings, or finding alternative savings, in departments as this was core part of the Council’s financial strategy. Lead Members would need to work closely with their respective Directors to identify and address non-delivery of savings both in the current and future years.

At the conclusion of the discussion the Cabinet agreed the recommendations relating to virements and capital adjustments and noted the report.

Resolved –

(a) That the following be approved:

- The virements between directorates and from budgeted Capitalisation Direction as set out in Appendix I and which have been applied in the presentation of 2022/23 budgets throughout the report.
- That approval to virements within a given directorate that do not affect the overall net budget for the directorate (“net-nil”) is delegated to the Executive Director and the S151 Officer.
- The capital slippage from 2021/22 into 2022/23 for the General Fund (£1.959m) and the HRA (£3.983m).
- The removal of the £2.085m IT infrastructure refresh capital budget on the basis that it is already correctly included in the revenue budget.
- The capital slippage from 2022/23 into 2023/24 for the General Fund (£16.497m) and the HRA (£15.374m).

(b) That the following be noted:

- that there are a number of continuing pressures arising in the 2021/22 outturn which continue into 2022/23 but have been addressed as planned through the 2022/23 Capitalisation Direction.

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- that the 2022/23 forecast year-end position for the General Fund, taking account of use of all capitalisation direction amendments, is a fully balanced position. However, within this, there is an overspend of £7.616m across service areas, including a shortfall on in-year savings of £4.439m against the total target of £19.958m, and including the loss set out in the latest SCF business plan. This is then balanced through an improvement in the collection fund position, the application of settlement monies received, the impact of capital receipts on MRP and a reduction in the use of capitalisation.
- that additional provision of £4.4m has been made for cost of living/inflation impacts above what was originally allowed for in the 2022/23 budget.
- that the DSG balance is forecast to be a cumulative deficit of £28.863m by the end of this financial year with plans to reduce this to a balanced in-year position by 2025/26.
- that maintained schools are projecting a reduction in balances by 31 March 2023 from £9.555m to £5.465m, with 4 out of 16 schools expecting to be in deficit with an aggregate deficit of £0.647m.
- that the HRA is forecasting an improved position against 2022/23 revenue budget of £8.811m, with a contribution to the HRA reserve projected of £0.577m.
- that the revenue budgets as presented in this report assume that the virements as set out in Appendix I have been approved.
- that the capital budgets as presented in this report assume that the slippage put forward for both the General Fund and the HRA has been approved.
- that the capital programme budget for the General Fund for 2022/23 is proposed to reduce from £45.259m to £28.655m through slippage of underspends from 2021/22 and reprofiling of project budgets into future years, and that an overspend of £0.069m is currently forecast.
- that the capital programme budget for the HRA for 2022/23 is proposed to reduce from £22.111m to £13.185m through slippage of underspends from 2021/22 and reprofiling of project budgets into future years, and that the forecast as at P4 is balanced.

34. Update on the procurement forward plan for services in excess of £180,000 and works in excess of £1 million in 2022/23

The Lead Member for Customer Services, Procurement & Performance introduced a report that updated on the procurement forward plan for services in excess of £180,000 and works in excess of £1m in 2022/23. The report included an update to contracts reported to Cabinet in May 2022 where there had been significant changes and sought approval to commence tendering for seven further contracts to those approved in May:

- NNDR administration;
- Haybrook College extension;
- Planning, building control and land charges systems;
- EV Taxi rapid charging infrastructure;
- Bulk liquid fuels;
- DSO road vehicles leased fleet;
- Transport modelling to support submission of the new Slough Local Plan.

The Lead Member stated that the contracts register was now complete and would put the Council in a much stronger position to better manage contracts in the future. A process document manual had been produced and officer trained was taking place. The Cabinet discussed how the contracts register could be used to identify opportunities and make savings. It was noted that the register would be regularly updated and would enable the Council to track contracts and improve forward planning so future contracts were let in a timely and efficient manner.

The Cabinet approved the recommendations.

Resolved –

- (a) That commencement of procurement for the list of goods, works or services set out in Appendix A to the report be authorised;
- (b) That delegated authority be given to the Executive Director for Place and Communities following consultation with the Cabinet Member for Customer Services, Procurement & Performance to award contracts, to the best value bidder, for the Bulk Liquid Fuels contract over £500k indicated in Appendix A, as requiring delegated authority to award contracts due to tight timescales involved.
- (c) That Delegated authority be given to the Chief Operating Officer following consultation with the Cabinet Member for Customer Services, Procurement & Performance to award contracts, to the best value bidder, for the Enterprise Resource Planning, corporate telephony, Wide Area Network, data centre hosting, cloud hosting of IT systems and disaster recovery of IT systems contracts over £500k indicated in Appendix A, as requiring delegated authority to award contracts due to tight timescales involved.

35. Waste Collection and Disposal Savings

The Lead Members for Transport & The Local Environment and for Financial Oversight & Council Assets introduced a report that proposed making a number of changes to the Council's waste collection arrangements and disposal charges.

The provisions of the Environment Act 2021 were noted as was the commitment in the Council's Improvement & Recovery Plan to bring forward a recycling plan and make financial savings. The recommendations included moving to fortnightly waste collections for street level properties and some flats from June 2023 to be supported by communications activity; charges for new and replacement wheeled bins; and the introduction of charges for disposal of certain items at Chalvey Household Waste & Recycling Centre.

The rationale for the proposals was summarised with the Council required to deliver waste services in both an environmentally and financially sustainable way. The vast majority of other local authorities had already moved to fortnightly collections and evidence showed there to be an increase in recycling rates following such a move. It was anticipated that the proposals would deliver savings of £705,000 a year, noting there would be some startup costs in the first year. Food waste would remain within the grey wheeled bin pending a review of options to separately collect food waste in the future.

The Place Scrutiny Panel had considered the proposals at its meeting held on 20th September and the comments of the panel were tabled and noted. In summary, the Panel had supported the move to fortnightly collections in principle but did not support the proposed introduction of charges for new and replacement bins. The Cabinet noted the comments and it was stated that where the Council was responsible for a damaged or lost bin it would replace it without charge. The Lead Member was asked to give further consideration to the arrangements for waiving charges to pensioners and people on low incomes with a view to refining these policies before the final decisions on the financial savings were taken when setting the Budget in March 2023. The Panel had also requested that the proposed charges for the disposal of items at the Chalvey HWRC be reviewed to ensure they were sufficiently clear to residents about the charges for items. It was responded that the charges mirrored those of Buckinghamshire County Council to ensure a consistent approach.

Councillors Muvvala, Strutton and Smith addressed the Cabinet and raised a number of concerns and comments about the proposal including the potential increase in fly-tipping; lack of consultation; reduction in service; the qualifying criteria for the retention of weekly collections; and several other operational matters regarding the implementation of the proposals. Lead Members and Officers responded to each of the comments in detail and amongst other matters noted that there had been consultation in the booklet sent to every household in Slough last year and that there was no evidence of an increase in fly-tipping from authorities that had moved to fortnightly collections.

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After a lengthy discussion, the Cabinet approved the recommendations, noted the comments of scrutiny and agreed the detail of the benefit criteria for those who would qualify for a free new or replacement bin would be reviewed prior to final implementation of the policy.

Resolved –

- (a) That charges for provision of new and replacement wheeled bins and other containers set out in paragraph 2.3 of the report be agreed to come into effect on 1 November 2022.
- (b) That the charges for acceptance of certain items of waste for disposal at our Chalvey Household Waste & Recycling Centre set out in paragraph 2.6 of the report be agreed to come into effect on 1 November 2022.
- (c) That it be agreed to reduce the frequency of general waste collection (grey wheeled bin) for the majority of residents from weekly to fortnightly from Monday 26 June 2023 with food waste to remain within the grey wheeled bin as part of general waste, rather than being collected separately, pending a review of options to separately collect food waste.
- (d) That it be agreed to reduce the frequency of recycling collection (red wheeled bin) for the majority of residents from weekly to fortnightly from Monday 26 June 2023.
- (e) That the waste collection & disposal policies be agreed as set out in Appendix 4 – Frequently Asked Questions which would become the published response on the SBC website.
- (f) That the comments of the Place Scrutiny Panel be noted.

36. **Special Educational Needs and Disability (SEND) Service Recovery Plan**

The Lead Member for Children's Services, Lifelong Learning & Skills introduced a report that updated on the progress being made in the SEND & Inclusion service following the Written Statement of Action (WSOA) in February 2022 produced in response to the local area inspection by Ofsted and CQC which concluded that there were significant weaknesses in services in Slough.

Delivery of the WSOA was being overseen by the SEND & Inclusion Strategic Board and each of the seven areas of improvement identified had a responsible officer and agreed actions. Lead Members noted positive progress in a number of areas although it was recognised the improvement journey was at an early stage. The SEND service had started to improve its timescales for the 20-week period for completing EHCPs from 0% in April 2022 to 23% in August.

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A number of strategies on school effectiveness; SEND & Inclusion; and school place planning would be coming to Cabinet in the next six months.

The Council had also commissioned the LGA to conduct a review of SEND services in September 2022 and a report would be provided that would assist in identifying further improvements.

The Cabinet welcomed the update and requested a further report on progress in January 2023 within 12 months of the WSOA being agreed.

Resolved – That the timetable for consultation and approval of strategies linked to SEND services be approved.

37. Update on Annual Business Plan for Slough Children First Limited (SCF)

The Cabinet considered a report that provided an update on the development of the Slough Children First (SCF) annual business plan and requested approval for a request made by the company for an increase up to a maximum of £0.343m to the 2022/23 contract sum agreed by Cabinet in February 2022. This would increase the size of the contract to £31.779m.

The appendices to the report were in Part II of the agenda. The Cabinet considered all matters relating to the report in the public part of the meeting without disclosing any of the exempt information.

The Cabinet noted the update on the development of the company's business plan since it had approved an interim plan in February 2022. No recommendations were yet being made on the business plan pending the review being carried out by Mutual Ventures. A governance review was also taking place.

Work was ongoing on the final business plan and pending its submission a type one in year charge had been submitted by the company requesting funding of £0.343m in 2022/23 to provide for the urgent recruitment of additional resources to mitigate against the rising risk of hard to children in Slough through demand pressures. The Cabinet considered and approved the request.

Resolved –

- (a) That the update concerning the development of a business plan by Slough Children First be noted.
- (b) That a maximum of £0.343m in-year increase in the contract sum to Slough Children First to £31.779m for 2022/23 be agreed. The actual sum would be dependent on the appointment of the additional resource being sought and would be paid to the company as these new staff started with the company.

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- (c) That following the finalisation of the Mutual Ventures report, delegated authority be given to the Chief Executive, in consultation with the Lead Member for Children's Services, Lifelong Learning and Skills, to engage with the Department for Education on commissioning an options appraisal on alternative models for delivering children's social care.

38. Disposal of Council Assets in Wolverhampton, Bradford, Gosport and Basingstoke

The Lead Member for Financial Oversight & Council Assets introduced a report that sought approval for the disposal of four property land assets. This was the first in a series of reports to future meetings as part of the asset disposal programme.

The first recommended disposals were four out-of-borough assets as follows:

- Wickes, Wolverhampton.
- Euroway, Bradford.
- Odeon, Basingstoke.
- Waitrose, Gosport.

The proposed asset sales had been subject to due diligence and reflected the best consideration reasonably obtainable for the disposal of the assets. The disposals would generate net savings to the revenue budget and a capital receipt which would be used to reduce borrowing and the Council's Minimum Revenue Provision (MRP).

The appendices to the report were in Part II of the agenda. The Cabinet considered all matters relating to the report in the public part of the meeting without disclosing any of the exempt information.

The Lead Member stated that these four assets had been bought purely to generate investment income. The four assets were acquired for a total of £31.8m between 2017 and 2019. The assets had been most recently valued in September to reflect current market conditions which showed a combined value of £26.6m which was £5.2m below the acquisition price due to a fall in value for the Gosport and Basingstoke assets. The assets had delivered rental income since they had been purchased. It was recognised that asset values changed over time and there would be variation in the performance of assets in an investment portfolio.

There was a risk to the Council in retaining assets which may further diminish in value in the future. Disposal would reduce any financial risks to the Council from future volatility in property markets and rising borrowing costs. The Council's advisors, Avison Young had recommended disposal of the four assets. The Cabinet welcomed the fact the asset disposal programme was now bringing forward sites for decision as this was a key part of the Council's recovery plans.

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Councillors Smith and Strutton addressed the Cabinet. Councillor Smith asked about the justification of disposing of two assets for less than the purchase price. The Lead Member reiterated the reasons given in the meeting and in the report as to why disposal was recommended and reminded Members that these were part of a portfolio of investment assets that would come forward for disposal some of which had increased in value and others which had decreased. Councillor Strutton raised concern about the initial decision making process to acquire such assets as highlighted in the Commissioners comments. The Leader stated that if the external auditors did investigate and make any recommendations on the purchases they would be properly considered at that time.

At the conclusion of the discussion the Cabinet agreed the recommendations to dispose of the four out-of-borough assets.

Resolved –

- (a) Agreed to the disposal of the Wickes, Wolverhampton asset and to delegate authority to the Executive Director of Property and Housing, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director of Finance and Commercial, to enter into the contract and other legal documentation in connection with the disposal in accordance with the Heads of Terms appended at Appendix 3.
- (b) Agreed to the disposal of the Euroway Bradford asset and to delegate authority to the Executive Director of Property and Housing, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director of Finance and Commercial, to enter into the contract and other legal documentation in connection with the disposal in accordance with the Heads of Terms appended at Appendix 4.
- (c) Agreed to the disposal of the Odeon, Basingstoke asset and to delegate authority to the Executive Director of Property and Housing, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director of Finance and Commercial, to enter into the contract and other legal associated documentation in connection with the disposal in accordance with the Heads of Terms appended at Appendix 5.
- (d) Agreed to the disposal of the Waitrose, Gosport asset and to delegate authority to the Executive Director of Property and Housing, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director of Finance and Commercial, to enter into the contract and any associated documentation in connection with the disposal in accordance with the Heads of Terms appended at Appendix 6.

39. References from Overview and Scrutiny

The comments of the Place Scrutiny Panel were considered and noted during the waste collection and disposal savings item.

There were no other references from overview and scrutiny.

40. Exclusion of Press and Public

Resolved – That the matters in Part II of the agenda be considered and resolved during Part I, without disclosing any of the exempt information, but that the Part II reports remain restricted as they involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority holding that information) as defined in Paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

The following is a summary of the matters considered during Part II of the agenda:

41. Part II Minutes - 18th July 2022

Resolved – That the minutes of the Part II meeting of the Cabinet held on 18th July 2022 be approved as a correct record.

42. Update on Annual Business Plan for Slough Children First Limited (SCF) - Appendices 1 and 2

Resolved – That the Part II appendices be noted.

43. Disposal of Council Assets in Wolverhampton, Bradford, Gosport and Basingstoke - Appendices

Resolved – That the Part II appendices be noted.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.59 pm)