

Cabinet – Meeting held on Monday, 16th September, 2024.

Present:- Councillors Smith (Chair), Chahal (Vice-Chair), E. Ahmed, Bedi, Kelly, Manku, Shah, Shaik and Wright

Apologies for Absence:- None.

PART 1

36. Declarations of Interest

No interests were declared.

37. Minutes of the Meeting held on 15th July 2024

Resolved – That the minutes of the meeting of the Cabinet held on 15 July 2024 be approved as a correct record.

38. Slough Children First Limited (SCF) Annual Report 2023/24

The Lead Member for Children and Education Services introduced the Slough Children First's (SCF) annual report for 2023/24. It was noted that although SCF did not produce an annual report for 2022/23, Cabinet approved an up to date Business and Improvement Plan in December 2023 as well as new contractual key performance indicators.

The Assistant Director, Legal and Governance reminded Members that SCF delivered statutory children's services on behalf of the Council in accordance with a direction of the Secretary of State for Education. Early preventative measures across the service were being developed to ensure that resources were being invested in the areas where they were most required.

Raj Bhamber, Non-Executive Director highlighted that although considerable progress had been made over the past year, challenges remained related to the budget setting process for forthcoming years. It was noted that as SCF became more closely aligned with the Council, and as such a critical part of the Council's overall improvement journey, it was important to learn from areas where the company had developed expertise and build on this across the Council.

In welcoming the annual report, a Member asked what the challenges were in implementing the Improvement Plan. The Director of Children's Services explained that a Demand Strategy was in place to identify forthcoming pressure in service areas.

Members welcomed the current projected outturn for 2024/25 which was showing as a surplus and it was explained that this was due to projections around placements being higher than actuals. Subject to appropriate approval this projected in-year surplus could lead to a reduced contract sum

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for 2024/25 of approximately £0.5m. In addition to this, further work was being done to identify opportunities to mitigate the wider Council overspend

The Cabinet raised a number of other issues during the course of the discussion including the work being done with public health to tackle childhood obesity and the key risks facing SCF. Financial risks included the relatively high cost of agency staffing and external residential placement costs. A significant amount of work had taken place to mitigate the risks and the company had an excellent commissioning team in place which sought to maximise value for money on high cost residencies where they were required. Members also recognised the direction that remained in place for children's services and the regular and strong engagement that took place with the DfE Commissioner.

At the conclusion of the discussion the Cabinet commended SCF for the progress it was making and the recommendations in the report were agreed.

Resolved –

- (a) That SCF's Annual Report for 2023/24 be noted.
- (b) That it be noted that Corporate Improvement and Scrutiny Committee had agreed a work programme which included improvement and recovery of Slough Children's Services as one of its three main strands and had included a specific item in October to review the Annual Report to inform whether the updated draft Business and Improvement Plan should be recommended to Cabinet for approval.

39. Special Educational Needs and Disabilities (SEND) Update

The Lead Member for Education & Children's Services introduced the latest update report on the progress in implementing the actions taken to address the priorities by Ofsted and the Care Quality Commission (CQC) in their inspection from 2021.

The report also provided a summary of the main information shared with the Department for Education (DfE) and the NHSE (NHS England) at the Written Statement of Action Monitoring Meeting in July 2024. The first Safety Valve Agreement monitoring report of the 2024/25 financial year had been sent to the DfE at the end of May and a summary was provided. It was noted that demand for Education, Health and Care Plans (EHCPs) had risen considerably and a full review of sufficiency, place planning and capital projects was being undertaken to ensure this demand could be met with a report to be provided to Cabinet later in the year.

The Executive Director for Children's Services updated on the progress made in delivering the Written Statement of Action. This had included 94 identified actions of which 43 had been completed and evidenced to date, with 8 of the action rated as red. Work was continuing to reduce the historic backlog of EHCPs with funding secured for an intervention team to support this priority.

A key priority was to try to ensure Slough children could stay in Slough and have their needs met. Building strong relationships with schools and expanding provision at Arbour Vale had been important actions to seek to address this aim.

Members asked a number of questions about the backlog of EHCPs and the role of the intervention team which was focused on clearing the backlog. In response to a question about complaints about the service the Executive Director commented that some complaints were about the time taken to put in place EHCPs due to the backlog, and others were from parents dissatisfied with the decisions made about the support provided. A complaints manager had recently been appointed to lead this process. Members also asked questions about the Safety Valve process and the position on staff recruitment and retention which officers responded to.

At the conclusion of the discussion the update was noted.

Resolved – That the progress made as set out in the body of the report be noted.

40. Budget Management Report Quarter 1

The Lead Member for Finance, Council Assets and Transformation introduced a report that set out the Council's current and forecast financial performance for the 2024/25 financial year as at the end of the first quarter to 30th June 2024. The report also detailed the management controls and activity to support financial resilience and the longer-term financial sustainability of the Council.

It was recognised that the Council's financial position remained challenging, however, the 2024/25 budget was currently forecast to balance, subject to approval of the proposed recommendations in the report. The projected outturn was £171.6m against a budget of £160.2m, which would be an overspend of £11.8m. To address this position approval was sought for a package of mitigating actions in Appendix 9 totalling £11.4m to offset this projected overspend and balance the budget. Further details of some of the proposed in-year savings was set out in the Part II Appendix 10 which was considered during Part I of the meeting without disclosing any of the exempt information.

The Cabinet discussed the main areas of overspend which included increased pressures on the adult social care and temporary accommodation budgets. Members welcomed the early identification of the overspends to enable action to be taken. It was recognised that there were significant financial risks and the fact the Council had several years of unaudited accounts meant there remained some uncertainty about the financial baseline. Further work was taking place to review the position since the end of the first quarter and this would be presented to Cabinet later in the year. The new finance team was carrying out a significant amount of work on the backlog of accounts, finance

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improvement plan, managing the 2024/25 budget and preparing the 2025/26 budget and medium term financial strategy. The Chief Executive highlighted that the challenging financial environment for local government, and particularly Slough, which would put pressure on services and tough decisions would be needed to move the authority towards a sustainable financial position.

The Cabinet thanked officers for the considerable amount of work being undertaken and welcomed the transparent and proactive approach. The recommendations were then approved.

Resolved –

That the following be approved:

1. General Fund (Revenue) – A projected outturn of £171.568m, being £11.817m overspend (7%) on an approved budget of £160.202m.
2. A virement of £1.000m from the Contingency budget to the Corporate Resources budget in respect of a savings target for Business Rates Income that will not be realised until 2025/26 .
3. Subject to appropriate due diligence, develop the suite of Recovery Actions to deliver mitigations of up to £11.423m as outlined in Appendix 9.
4. Approved the following actions:

	£m
Adult Social Care reserve – Defer recruitment for an additional Financial Assessment and Benefits Officer	0.150
Better Care Fund reserve – utilise carry forward	2.667
Public Health reserve – Uncommitted reserve to meet eligible public health overspend within the General Fund	0.081
TOTAL	2.898

That Cabinet note the following based on the above approvals:

	Final Budget	Projected Outturn £m	Variance £m	Recovery Actions £m	Revised Variance
Total Service Budgets	120.152	131.704	11.552	-7.423	4.129
Non Dept Budgets	40.050	39.921	0.265	-4.000	-3.735
	160.202	171.625	11.817	-11.423	0.394
Less use of Contingency			-0.394		-0.394
Total Expenditure	160.202	171.625	11.423	-11.423	0.000

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5. **General Fund (GF) (Capital)** – The revised capital budget (approved at July cabinet) is £35.428m with a projected outturn of £33.560m resulting in underspend of £1.868m.
6. **Housing Revenue Account (HRA Revenue)** – A surplus of £3.734m is forecast against a budgeted surplus of £3.477m, a favourable variance of £0.257m.
7. **Housing Revenue Account (HRA Capital)** – The revised capital budget (approved at July cabinet) is £25.003m with a projected outturn of £16.941m resulting in an underspend of £8.062m.
8. **Dedicated Schools Grant (DSG)** – There is an overspend of £0.155m in the Schools Block due to higher than anticipated costs for growth in 2024/25. Further details are set out in para. 7 of this report including the risks
9. **Council Tax and Business Rates collection** – As at 30 June 2024, actual council tax collected was 28.05% (target 29.10%) and actual business rate collected was 29.75% (target 30.5%).
10. **Sundry Debt** – Total outstanding sundry debt including adult social care debt as at 30 June 2024 was £13.848m. Based on the age profile of the debt, £5.342m was the calculated bad debt provision (39%).
11. **Financial Resilience** – The Council remained committed to improving financial resilience, moving towards financial sustainability and improvement in governance and process as laid out in the Directions issued by Government and a capitalisation direction for exceptional finance support in 2024/25.
12. Once the Council has concluded the outstanding financial accounts, a formal financial resilience statement would be prepared.

41. Unit 4 Agresso Cloud Migration

Lead Member for I.T., Customer Services, Revenue & Benefits, Procurement and Performance introduced a report that sought approval to enter a new contract with Unit 4 for Agresso, the Council's enterprise resource planning (ERP) tool which was critical to the functioning of HR, payroll and finance.

The background was summarised and it was noted that in November 2023, Unit 4, the supplier of the Agresso application, changed its business model and would require all users to contract with them directly and migrate to their cloud platform. This was an issue faced by many local authorities that used the system. The implication of this was that the Council would need to enter into a new contract by December 2024 and migrate to the new hosting platform soon after. This would result in additional revenue costs to the Council, however, there was insufficient time available to undertake a new competitive procurement exercise for the software and a waiver of the usual

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procurement rules was therefore required. The legal advice was contained in the Part II appendix which was considered during Part I without disclosing any of the exempt information. The proposal was to enter into a new contract for a five-year period at an approximate cost of £2m.

It was recognised that the application was currently been under-utilised and in parallel with the procurement process it was proposed to deliver an improvement programme to seek to address long standing issues such as incorrect workflows and poor user adoption. Additional funding was being sought to support this improvement work.

Members expressed dissatisfaction that the decision of the supplier would result in additional costs to the Council. However, in reviewing the available options the Cabinet recognised that it was not feasible to carry out a full procurement exercise or move to an alternative application in the time available. The Agresso programme was considered to be able to meet the Council's needs but the implementation of the improvement programme was crucial to optimise the system. The recommendations were approved.

Resolved –

- (a) That the direct award of a contract to Unit 4 for a period of five years at an approximate cost of £2m be approved. The total contract value may vary due to the number of concurrent users as the pricing model is a per user subscription business model;
- (b) That delegated authority be given to negotiate and approve the contract award to the Executive Director of Finance & Commercial, in consultation with the Lead Member for I.T., Customer Services, Revenue & Benefits, Procurement and Performance;
- (c) That the increase 2024/25 budget allocation for the revenue costs of the application of £47,000, which would be funded from the contingency, and the increased costs to Slough Children First and the Housing Revenue Account be noted.
- (d) That it be noted that a growth bid of approximately £0.225m would be submitted as part of the MTFS cycle for members' consideration; to be reduced in future years as dual running of platforms ended. This would be partially offset by an increased recharge to the Housing Revenue Account of £0.035m.
- (e) That delivery of a project intended to develop improvements in the application's customisation that support better use be noted; and, a comprehensive training programme would need to be established to rebuild staff confidence and experience in using the application. Funding in the region of £258,000. It was expected that this project would be funded from the transformation reserve and would form part of the finance improvement plan.

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42. References from Scrutiny

There were no references from scrutiny.

43. Exclusion of Press and Public

All business was conducted in Part I of the meeting, without disclosing any exempt information, therefore it was not necessary to exclude the press and public.

44. Part II Minutes - 15th July 2024

Resolved – That the Part II minutes of the meeting held on 15th July 2024 be approved as a correct record.

45. Budget Management Report Quarter 1 - Appendix

Resolved – That the Part II Appendix 10 be noted.

46. Unit 4 Agresso Cloud Migration - Appendix

Resolved – That the Part II Appendix be noted.

Chair

(Note: The Meeting opened at 6.34 pm and closed at 7.55 pm)