

CABINET

THURSDAY, 26 MAY 2022

PRESENT: Councillors Andrew Johnson (Chairman), Stuart Carroll (Vice-Chairman), David Cannon, David Coppinger, Samantha Rayner, Phil Haseler, David Hilton and Ross McWilliams

Also in attendance: Councillor Gurch Singh, Councillor Ewan Larcombe, Councillor John Baldwin, Councillor Mandy Brar, Councillor Gurpreet Bhangra and Councillor Simon Bond. Ian Brazier-Dubber (RBWM Prop Co).

Officers: Duncan Sharkey, Adele Taylor, Andrew Vallance, Kevin McDaniel's, Andrew Durrant, Emma Duncan, Nikki Craig, Louisa Dean, Vanessa Faulkner and David Cook.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Stimson.

DECLARATIONS OF INTEREST

None received.

MINUTES

RESOLVED UNANIMOUSLY: That the minutes of the meeting held on 28 April 2022 were approved.

APPOINTMENTS

None

FORWARD PLAN

Cabinet considered the contents of the Forward Plan for the next four months and noted the changes made since it was last published including the following:

- Calvary Crescent moved to July Cabinet
- Peer Review Action Plan moved to July Cabinet
- Leisure Centre Procurement add to June Cabinet

CABINET MEMBERS' REPORTS

A) 2021/22 DRAFT OUTTURN REPORT: REVENUE AND CAPITAL

Cabinet considered the report regarding the financial outturn against budget for the 2021/22 financial year.

The Cabinet Member for Asset Management and Commercialisation, Finance, and Ascot informed Cabinet that he was pleased to present the 2021-22 financial outturn and reported an underspend of £2.353M on services which was an increase of £2.162m on month 10. This was a significant change from month 10 which was great news as it increased available resources, but it was not good from the point of view of financial control.

Recruitment of a new team of Business Partners was nearly complete, they were senior accountants who would work with services. The first appointment was Julian McGowan the Senior Business Partner and he told him that at month 10 the financial challenge of some interims could have been more robust. Having met with him not only did he think that this hiccup will not recur, but with the business partners in post there should be more clarity in monitoring reports and, importantly, finance support to services would be greatly enhanced.

The Cabinet Member went on to inform that the headlines of the report were that the general fund reserve increases to £8.75M, £2m above the minimum. As planned the corporate contingency was not required and along with unused provisions, £2.2M had been placed into reserves which strengthens our financial base.

The expectation that our commercial portfolio tenants would struggle to pay rents and that some would leave had not realised and the Covid pressures budget of £1.51 m was not required, indicating our tenants had stronger covenants than thought.

As a consequence of staff vacancies, Governance showed an underspend of £300K. In Month 4 Governance reported a recruitment program across the directorate with the anticipation that a full establishment would be achieved in December last year. That aspiration was not achieved highlighting issues in recruiting high calibre staff that match job specifications. These staff were needed to maintain current standards and importantly break new ground so recruitment was a growing concern.

Children's Services overspend had been managed down from a high of nearly £1.5M to £214K or less than 1% of the budget. Since month 10 there had been a number of incremental cost reductions that collectively added up to a £551K improvement.

Cabinet were asked to note the outturn of the schools' budget which was an overspend of £257K and resulted in an accumulated deficit of £2.048M which did not impact on the Council budget but potentially could. The School's Forum considered a deficit recover plan under the plan RBWM would participate in the DfE Delivering Better Value in SEND support programme. The programme would provide dedicated support and funding to help with substantial deficit issues and reform the high needs systems.

The outturn in Adult Social Care was an underspend of £139K and a cost reduction of £826K from month 10. The most significant issues were the release of a £300K accrual no longer needed and reallocation of costs to other funding sources amounting to £383K.

The report highlighted that since the budget had been set there had been an increase of 169 in the number clients in older people and physical disability that require a service which presented a significant budget pressure.

The Cabinet member informed that unfortunately Hilary Hall would shortly be leaving the authority he asked her if she would leave behind some of the magic that had enabled Adult Social Care to continually deliver quality care within very tight budgets.

Hilary would leave a legacy, firstly the Transformation Team who delivered £5M of savings over the past two years and continue to work on new schemes. Secondly, working through the Frimley ICS, Hilary, supported by Cllr Carroll, had developed a true partnership with the Clinical Commissioning Group and other health partners including GPs. Working with the CCG and Frimley our Adult Social Care team was creating a seamless service between health and social care.

The report was silent on parking but supported by £2.6M of Covid contingency funding parking revenues were £5.5M or £900K more than the budget, a hopeful sign that revenues will continue to grow.

On capital, there has been slippage of £42M on the programme of £68M. £15M of this relates to Maidenhead golf course, appendix E provides the detail for all other slipped projects.

Cabinet were informed that the 2019/20 accounts had not yet been signed off, this was as a consequence of revised reporting requirements for assets such as roads, that affected all councils. The initial delay was due to a number of objections to the accounts. Para 9.4 reports an accrual of £188K as a consequence of the additional work undertaken by the auditors as a result of these issues and he asked the S151 officer to comment.

The Chairman seconded the paper and informed that this was the third year in a row the budget had been delivered under budget. There was also an increase in reserves that would help build resilience. He thanked staff for their hard work during a difficult year.

The Executive Director of Resources, S151 Officer, informed that with regards to the 2019/20 accounts there had been an update at the Audit and Governance Committee, with regards to reporting of assets this was a national issue and that the 2020/21 accounts could not be signed off until the 2019/20 ones had been. It had been a difficult reporting regime due to the pandemic and mechanisms, regarding commercial properties the hard work put in had reduced the need to use Covid 19 reserves. There had also been increased pressure on the need for temporary accommodation over the last few years.

The Cabinet Member for Digital Connectivity, Housing Opportunity, & Sport & Leisure informed that there had been an increased need for temporary accommodation and that it had been decided to try and place as many people close to the borough which had cost implications.

Cllr Baldwin reiterated the excellent work undertaken by Hilary Hall. He went on to say that the Cabinet Member for Finance had said that it was good to have additional savings but they had been a failure in financial controls. Cllr Baldwin referred to over £2m of additional savings as not being a hump but a failure in accounting and a failure since the CIPFA findings and recommendations. The Cabinet Member reiterated that he had spoken to the S151 officer and senior business partners and was confident that this was being dealt with.

The Executive Director of Resources said that although some of the underspend could have been predicted there was a large element that came from Government grants that they had not been informed about. There had also been an impact on work being undertaken in Children's Services for the 2022/23 savings that had provided additional savings during this reporting period. She said that £2m was a large figure but a small percentage of the budget and the Corporate Overview and Scrutiny Committee would be looking at this.

Cllr Baldwin said that the Cabinet Member responsible for Finance had been in position prior to and after the CIPFA report and questioned how he could say that these issues had just slipped through.

The Chairman replied that it had been the administration that had invited CIPFA to undertake their review, that actions had been undertaken and that there had been three continuous years of underspend whilst delivering services.

Resolved unanimously: that Cabinet notes the report including:

- i) The final revenue outturn for the year is an underspend on services of £2,353m (para 4.1);**
- ii) After adjusting for non-service costs, funding, and transfers to and from earmarked reserves, the general fund has increased by £1.694m to £8.753m (para 4.1);**
- iii) The final outturn on the schools budget is an overspend of £0.257m resulting in an overall deficit on the DSG reserve of £2.048m and school reserves of £2.913m (para 7.6);**
- iv) The final capital outturn is expenditure of £26.178m with slippage of £42.001m (para 15.1); and**
- v) The movements in earmarked reserves (para 13.1).**

B) AWARD OF CONTRACT FOR HR AND PAYROLL SYSTEM

Cabinet considered the report reading the procurement of the councils HR and Pay role system.

The Cabinet Member for Business, Corporate & Resident Services, Culture and Heritage, Windsor informed Cabinet that the current system had been in operation for the last 16 years and as its contract was up it was time to undertake a review and procurement exercise. This exercise was undertaken because the current contract is due to end in May 2023.

The report recommended that a new contract is awarded to MHR International, whose bid had been considered as the most economically advantageous on the basis of the technical and financial evaluation undertaken. The new contract incorporated a specification that exceeds the current provision because a number of enhancements were now available that will support the Council's transformation agenda, as well as lead to improved employee engagement and more efficient data processing.

The Human Resources customer base covered over 4,500 employees, of which around 600 are core RBWM staff, the rest are partner organisations, maintained schools and academies. In total, Human Resources manages 15 monthly payrolls. This brought in valued revenue that the new system would help maintain and strengthen.

Resolved unanimously: that Cabinet notes the report and:

- I. **approves the award of the HR and payroll system contract to MHR on the basis of a 5 year contract, with the option to extend for a further 3 years in 1 year periods. The contract to commence in May 2023 and its value is detailed in Appendix A which is Part II by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public were excluded from the remainder of the meeting whilst discussion took place on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of part I of Schedule 12A of the Act.

The meeting, which began at 7.00 pm, finished at 7.50 pm

CHAIRMAN.....

DATE.....