

Slough Borough Council

Report To:	Cabinet
Date:	16 th December 2024
Subject:	Slough Urban Renewal - Update on progress against Partnership Plan
Lead Member:	Councillor Chahal, Deputy Leader of the Council – Finance, Council Assets and Transformation
Chief Officer:	Pat Hayes, Executive Director – Regeneration, Housing & Environment
Contact Officer:	Peter Hopkins – Property and Assets Director
Ward(s):	All
Key Decision:	YES
Exempt:	Public with exempt appendixes 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.
Decision Subject To Call In:	YES
Appendices:	None
Exempt Appendix:	Appendix 1 - August 2024 update to SUR Partnership Business Plan 2023-28 with Financial Update (CONFIDENTIAL)

1. Summary and Recommendations

1.1 This report provides an update on the Slough Urban Renewal (SUR) joint venture partnership as of August 2024. The report includes an update against the previously accepted Business Plan 2023 - 2028 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 recommended to:

Consider the updated Slough Urban Renewal (SUR) Business Plan 2024 – 2028 and Appendix 1 noting that the Partnership Objectives and the business of SUR remains unchanged, as set out in Clause 5 of the Partnership Agreement from March 2013.

Reason

- 1.3 The August 2024 update provides a formal update against the agreed Partnership Business Plan, providing members details of actual performance with clarity on key activities, priorities, risks and financial and commercial plans.
- 1.4 The August 2024 update of the Slough Urban Renewal (SUR) confirms performance against the objectives of the Council's Asset Disposals Strategy, especially the new Corporate Plan for "a council that lives within its means, balances the budget and delivers best value for taxpayers and service users."

Commissioner Review

"To achieve and facilitate the objectives of the intervention and comply with the best value duty on a sustainable basis, the Council were directed to undertake an initial review of the company roles and case for continuing with each subsidiary company (except Slough Children First). For those companies that it agreed to continue with, the Council should make sure that it is subject to effective oversight, regular review and good governance evidenced.

Under the terms of the SUR Partnership Agreement, SUR is required at least annually to produce a Business Plan setting out its key activities, priorities, risks and how they will be managed, commercial and financial plans. Whilst the report below and appendix attached provides a position update, a business plan remains outstanding for 2024.

During the remaining period of SUR LLP's operation, the Council needs to ensure that the right capacity, skills, and culture is in place to enable the Board and the Council's client team to remain effective, with strong oversight and assurance that all risk systems and processes are operating effectively to continue to minimise the Council's overall exposure."

2. Report

- 2.1 Slough Urban Renewal (“SUR”) is a Local Asset Backed Vehicle (“LABV”) it was formed as a 50:50 Limited Liability Partnership between Slough Borough Council (“the Council”) and Community Solutions for Regeneration (Slough) Limited (“the PSP”) a subsidiary of Morgan Sindall Group plc.
- 2.2 The joint venture (JV) was formed in March 2013 for 15 years with the ability to extend it by a further ten years and governed by the Partnership Agreement (“PA”). It has now been in existence for 11 years. The Partnership Business Plan (“PBP”) was originally prepared and adopted in 2013 by SUR.
- 2.3 The PBP forms an overarching strategic framework, informing and integrating the individual Site Development Plans (“SDPs”) and Community Project Plans (“CPPs”). It serves as a management tool for JV Partners and Representatives and provides strategic guidance for the Development Management team.
- 2.4 The PBP attached produced in August 2024 is a financial update providing an annual rolling summary of activity and forecast against the full Partnership Business Plan approved in 2021 and updated in January 2023 to the period to 2028. Note that since August 2024 there have been amendments and decisions made by SUR relating to personnel changes at Slough Borough Council (SBC).
- 2.5 The JV is anticipated to wind up before the end of the business plan period so, as instructed by the SUR Board, this financial update has been prepared to support the business activity that is expected until the end of 2025 as a minimum with an updated business plan before presented as required under the Partnership Agreement before the financial year end of 2025/26.
- 2.6 The Partnership Objectives and business of SUR remains unchanged.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 Confidential Appendix sets out performance as of August 2024 against the SUR Business Plan, and forecasts for the next financial year. This includes details of SUR operating costs and a financial summary for each of the key sites. The Joint Venture is expected to be wound up before the end of the business plan period and should generate net receipts to the Council on finalisation of the process.

3.2 Legal Implications

- 3.2.1 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), site specific PA and the individual site Option Agreements (OA). The Partnership Agreement dated 22 March 2013 provides for there to be a rolling five year partnership business plan and business plans in respect of individual sites. The latter are known as site development plans. Decisions on individual sites have been reported to Cabinet separately. The Partnership Business Plan and individual Site Development Plans together constitute the Business Plans under the PA. SUR is expected to submit business plans each year covering a period of five years, with detailed content for the next two years and outline content for the following three years. The Council

and other parties are expected to use all reasonable endeavours to agree the plan. There are provisions in the PA to deal with a situation whereby the parties cannot agree.

3.2.2 Cabinet approved a partnership business plan for 2020/21. Since that date various site development plans have been approved as the focus has moved to managing each site and reducing the Council's exposure to risk. The parties to the PA have agreed that SUR should not commence any new regeneration schemes and should focus on closing down the current schemes with a view to the partnership being dissolved in 2026.

3.3 Risk Management

3.3.1 The Council undertakes detailed risk management assessments on a site by site basis, such assessments continue to be undertaken with mitigation plans put in place as needed. All risks are continually monitored, and are reviewed at JV Partner Board meetings and reviewed at the internal Council Corporate Oversight Board meetings on a monthly basis, There have been no new material risks have been identified or added to the Risk register. Following the departure of Savio DeCruz from the Council an additional Council JV Board representative has been appointed (Peter Hopkins Director for Property & Assets).

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 previously took legal advice on the potential procurement risks associated with the proposed strategy and changes. No issues were identified for the Council, or have since been raised.

4. **Background Papers**

None