

Governance Peer Challenge **Slough Borough Council**

3rd - 5th February 2020

Feedback Report

1. Executive Summary

The council is ambitious to improve and senior officers and members understand why governance is a key part of that. As a place, Slough is in a great position to prosper and grow over the next few years. The expansion of Heathrow is taking place on Slough's doorstep and Crossrail will arrive in 2020 or 2021. The council itself is seeking to lever the benefits of these by redeveloping the town centre and attracting new employment and educational opportunities to the area. It is recognised by the council's leaders that this will present some significant challenges and the council itself aims to become 'world class' to get the full benefits for local communities, including exemplary governance.

The council has made significant and tangible progress on governance issues over the last 2 years and people are confident of further improvement under the current leadership. The council went through a period of turbulence two -three years ago during which the council's governance arrangements were tested and found wanting. The council is now determined to put that experience behind it and a lot of work has gone into systems of governance and changing the culture within which the council operates.

As a result, many of the building blocks of an effective governance framework are now in place but there are still some gaps in the framework that need to be addressed. Among these is effective scrutiny, which can support a council's policy development as well as providing important democratic challenge to the executive.

There is more to do to embed a strong foundation of good governance and apply and own it consistently. We found evidence of inconsistent application of procedures which some felt was justified in order to get things done, and we were told that managers find the current Scheme of Delegations confusing which may contribute to it being misapplied, although we found no specific examples of this.

The team found that there was room for improvement in areas such as the role and functions of scrutiny, the role of the Audit & Governance Committee and the quality of committee reports, as well as support to members in terms of information, briefings and training. We particularly noted a need to improve forward planning of agendas, which would contribute towards solutions to some of the other issues identified.

2. Key recommendations

In addition to the suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, , the following are the peer team's key recommendations to the Council:

1. Governance is a key aspect of the Council's improvement journey.

The ambition for transformation now needs to move quickly into the delivery phase.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk Telephone 020 7664 3000 Email info@local.gov.uk

Chief Executive: Mark Lloyd

Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

2. Good governance must be embedded regardless of the delivery of the transformation programme and the council should ensure all staff understand why governance is important to their daily work.
3. The council should ensure councillors are appropriately engaged and supported through active involvement in agenda planning, training and briefings.
4. The council should ensure that the quality and timeliness of reports is improved. It should consider making better use of Democratic Services, forward agenda planning and Mod.gov to manage agendas.
5. The Audit & Governance Committee Terms of Reference should be reviewed to take account of its wider remit.
6. The council should consider a “lessons learned” review of the reasons for the delay in the conclusion of the audit of accounts.
7. The council should proceed quickly to appoint its’ own suitably qualified and experienced permanent Monitoring Officer.
8. The council should establish a comprehensive member training & development programme.
9. The scheme of delegations should be reviewed to ensure the new scheme is understood by everyone involved.
10. The council should ensure scrutiny is given greater status and support to enable it to focus on the key strategic issues facing the authority.
11. The council should maximise the opportunity to be transparent to enhance its reputation.
12. The council should complete the rollout of the localities model and ensure that appropriate governance exists around it.
13. The council should take steps to ensure all councillors are appropriately informed about issues happening in their ward.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer

challenge. Peers were selected for their relevant experience and expertise and were agreed with you. The peers who delivered the peer challenge at Slough were:

- Carole Mills: Chief Executive, Derby City Council. Lead peer.
- Mayor John Biggs: Executive Mayor, Tower Hamlets LBC. Lead member peer
- Cllr Alan Jarrett: Leader, Medway Council. Member peer
- Helen Gorman: Borough Solicitor, Bolton MBC
- Tim Martin: Head of Governance, West Midlands CA
- Sanjit Sull: Monitoring Officer, Rushcliffe BC
- Thomas French: Member Services Officer, LGA
- Alan Finch: LGA peer challenge manager

Scope and focus

Good governance is the means by which a public authority shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of individual and collective behaviour and integrity that support good decision making.

The peer team considered the following brief which was agreed with the council. The questions raised by the council were organised into four themes. These are the areas we believe are critical to the council's governance improvement:

Leadership & culture

- How well are the benefits of good governance understood across the authority?
- How is good governance and ethical standards in behaviour managed and driven forward in the council?
- Does the council adopt leadership styles which are open, inclusive, and engender trust from staff, other partners, and the public?
- How does the council ensure it is a learning organisation and able to adapt its governance and decision-making process to changing circumstances whilst ensuring continuous service improvement?

Organisation & standards

- How well defined and understood are the respective roles of the Council, the Leader, the Cabinet, backbench Councillors and the Statutory Officers (Head of Paid Service, Monitoring Officer and Chief Finance Officer (S151)) in (i) policy and decision making, and (ii) operational management?
- Are Codes of Conduct in place for, and respected by, elected Members and staff?

- Is a sufficiently robust standards regime in place, with a recognition of member and officer roles and responsibilities?

Decision making & scrutiny

- Does the council have appropriate controls, frameworks and support in place to support members and officers to make decisions in an accountable and transparent way?
- Does Scrutiny provide effective challenge to the Cabinet, which improves policy and decision making?
- How is the council accountable for the decisions it takes, and how it does report on this?

Connection with residents and others

- How does the council connect with residents and partners in its decision making, and do councillors and senior officers act as effective ambassadors for the council with residents and partners?
- How does the council ensure it is listening to all voices in the community?

The governance review was intended to provide the council with an independent view on how they can establish a clear roadmap for future governance arrangements which will allow the council to continue its improvement journey and deliver on its transformation and regeneration agenda.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 2.5 days onsite at Slough Borough Council, during which they:

- Spoke to more than 80 people including a range of council staff together with councillors and external partners and stakeholders.

- Gathered information and views from more than 30 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 210 hours to determine their findings – the equivalent of one person spending more than 5 and a half weeks in Slough.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (3rd-5th February 2020). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Leadership & culture

The leadership of the council is widely perceived to have made a positive difference in the last two years. The Leader is described as open and a “force for good” and the Chief Executive is seen as a “breath of fresh air”. Culture and relationships have improved and are now generally described as better. People we spoke to are confident that this improvement will continue and will be built upon. This puts the council in a good place to move forward.

“We are heading in a strong and powerful direction”

The council is ambitious for the place and for itself and it wants to be ‘world class’ and this ambition is being transformed into firm actions built on a Five-Year Plan. The council recognises how inward investment in Slough as a place can have benefits for residents and wants to ensure that investment is leveraged to benefit local people. For the council as an organisation, the new civic building is seen as a positive statement of ambition and improvement.

The ambition for transformation now needs to move quickly into the delivery phase. There is a perception among staff that the current transformation has been a long time coming and that the council promises change but often does not deliver it, so it would massively benefit the organisation if the promise of positive change could begin to be realised. In particular, staff and residents have referred to examples of silo working and the desire to see that addressed.

“Transformation is taking so long. What’s the delay?”

The council is rightly making good governance a part of its transformation, but good governance must be embedded regardless of the delivery of the transformation programme. The peer team have identified some issues that can and should be addressed straight away and these are set out in this report.

Furthermore, it is evident that not all staff understand the practical importance of good governance, which reflected in lack of understanding of the scheme of delegations. We heard that the governance framework is relatively little understood below the top tiers of management and that governance is not always taken seriously, leading to issues such as internal audit recommendations not being implemented. There may be a residual culture of non-compliance, reflected in measures such as a staff appraisal completion rate of 47%, and more needs to be done to address this.

There are also pockets of frustration among some councillors about the support they are receiving to allow them to do their job, as set out later in the report.

4.2 Organisation & standards

A great deal of work has been done towards putting good basic governance arrangements in place. A decision-making framework and documentation has been created and clear lines of accountability and terms of reference have been established for committees and boards. However, the peer team felt it was unusual for performance reporting to be referenced directly to the administration's manifesto rather than to approved policy objectives of the council derived from the manifesto.

Key officers meet specifically to discuss governance issues; there is a regular meeting of statutory officers and issues of governance are regularly discussed by the Corporate Management Team.

The transformation programme and Brilliant Basics project offer a great opportunity for further change and improvement. Governance arrangements have been established for the transformation programme, including the identification of transformation champions which is seen as a positive step. The council has recognized that governance needs to be a key strand of the transformation.

Organisational improvements have been made. The recent introduction of a new councillor casework system is regarded as a positive step.

This has had to be accomplished while the council has had some difficult issues to contend with. Current arrangements with the Children's Trust are taking considerable management time and concerns have been expressed about the lack of influence the council has, especially over the finances of the Trust.

Whilst there have been improvements made, we found a number of issues were raised which are picked up in more detail in the next two sections.

Members are elected by communities to represent their interests. All elected members, especially when newly elected, need training and development support from their councils to help them to be effective in this. We found that, while there is a basic level of training available for all members and some have benefited from external training and development, there is a lack of a comprehensive training offer to members and responsibility for providing one is confused. There needs to be a refreshed, comprehensive member training and development programme with responsibility for promoting and delivering it suitably allocated within the organisation.

An audit committee in local government is a key committee representing all Councillors in their role as 'those charged with governance'. The importance and purpose of Audit & Governance Committee is not fully understood. It is not well supported and many people are saying it is focusing on the wrong things. We heard examples of long debates on Key Performance Indicators leaving relatively little time to consider audit reports. We were also told that there is no system for calling managers to committee to discuss audit findings. This may be because there is no such system or because it is infrequently triggered. The Audit & Governance Committee Terms of Reference should be refreshed and its meetings conducted to take account of its wider remit and ensure that time spent at meetings is balanced to address its full area of responsibility.

“The organisation is in the right place in seeking assurance but what’s the point if it doesn’t follow through?”

At the time of the review, the external audit was not yet complete and we understand there have been many issues flagged to the council that need to be resolved. Since the review, we understand the council has raised certain concerns with the auditor. The council needs to consider a “lessons learned” review of the reasons for the delay in the conclusion of the audit of accounts and the external auditor should be invited to be involved.

The Monitoring Officer is a statutory officer who in most local authorities has overall responsibility for governance and is usually a qualified lawyer. As a temporary arrangement the council currently shares a very experienced Monitoring Officer with another authority who spends on average one day a week in Slough. Given Slough’s ambition and the issues it faces, this cannot be regarded as a permanent solution. The arrangement is widely considered in the council to require resolution as a priority and the council needs to proceed quickly to appoint its’ own suitably qualified and experienced permanent Monitoring Officer.

Managers feel that the scheme of delegations does not allow them to make effective and timely decisions. We recognised that this part of the council’s Constitution is complicated and hard to follow. Often it relies on officers knowing the level at which they sit within the organisation rather than the role they carry out. The council needs to review the scheme of delegations and ensure the new scheme is understood by everyone involved.

4.3 Decision making & scrutiny

The leadership is clear about priorities and the direction of travel for the authority and we met passionate councillors who are keen to make a difference in the community.

There is recognition that much progress has been made in the use of data and insight.

Scrutiny is an important role in any council with a cabinet and leader model and at its best, can provide constructive challenge that helps a council develop effective policy and enhance trust between the council and communities. There are some good examples in Slough of pre-decision scrutiny and task and finish group work exploring issues such as disability and food poverty.

In general, however, the council does not give scrutiny the status it requires and it lacks senior officer attendance and champions. As a result, Scrutiny is not sufficiently enabled and supported to address the key strategic issues facing the authority. In addressing the training issues for members identified earlier in the report, specific training for members on scrutiny is required, and it has been suggested that this could be carried out jointly with officers. The annual scrutiny report to council does not give an engaging picture and misses out some of the best work the Overview & Scrutiny Committee and scrutiny panels have done. We were left unclear as to how the work programme for scrutiny is set. Members and officers together need to consider how scrutiny can be given more status and better support.

“Scrutiny is not robust. People don’t feel scrutinised”.

The forward planning process for committees requires improvement and needs to be jointly produced by officers and councillors together and aligned to the Five-Year Plan. The Council fulfills its statutory responsibility for a three-month forward plan of key decisions but currently has no annual plan, although we understand there are plans to introduce one. We also heard that members have limited involvement in agenda setting, and where they do it is late in the day.

Perhaps as a result of lack of planning, reports to committees are often produced late and the quality of reports is inconsistent to the extent that some are not fit for purpose. We saw examples that included tables unpopulated with data, spelling errors and sentences cut off in the middle.

The process of officers briefing members on reports before committee meetings also appears haphazard, with examples of briefings happening late, insufficiently covering the agenda or being cancelled.

A revised system of agenda planning, involving members with an annual forward plan and programmed and diaried dates for key stages such as the submission of reports and briefings would help to address these issues. The council could make better use of Democratic Services and Mod.gov in ensuring there is a consistent approach to managing agendas.

The council has recognised the importance of ensuring oversight of the arms-length arrangements and commercial partnerships it has established on different

terms, and has recently set up a Commercial Committee to provide this. The council is making significant use of commercial opportunities to generate income and deliver benefits for the town, and it was felt that the council could be more transparent in its commercial transactions.

4.4 Connection with residents and others

The residents we met spoke warmly of the council and many of its initiatives and partners are also positive about the council's direction of travel. The council is self-critical on the question of low rates of resident engagement, but although this is not ideal, it is an issue across local government and Slough does not appear to be untypical.

The council has made good progress in its approach to localities and neighbourhood working and again, the use of data and insight has informed this. We heard of some good work in community development and also of coproduction, especially in the field of adult social care and some emerging localised partnership working with health partners.

“The co-production model is the best thing Slough has done”

Those we spoke to feel that the council is getting its message across. Place branding is being developed in conjunction with partners. The council is conscious of reputational issues, but this does not seem to be affecting the willingness of investors to commit themselves to the town given its strategic location and other advantages.

The council has set up a 'One Council' group which will lead on community engagement.

The localities model is evolving and has yet to be fully rolled out and the council needs to proceed with this to ensure that the benefits are felt everywhere across the Borough. As these arrangements evolve, it will be increasingly important to think about which decisions are at local level and how they are taken and which remain in the centre, and how governance works across the two.

Information to councillors about their wards has been reported as patchy and not as timely as it might be. This can put members on the back foot in terms of their relationships with residents and the community and make the council seem remote. Improving this information flow would improve governance by enabling ward members better to advocate for and represent their wards and would support the council's commitment to neighbourhood working.

The council should reflect on its approach to openness. With the purchase of Observatory House, for example, the council missed an opportunity to enhance its reputation with residents. The deal itself was a commercial negotiation the details

of which could not be made public at the time. However, the council could have released more details of the financial case for the change and could perhaps have said more once the deal was concluded. As it is there is still misinformation about the cost of the building. In one meeting, a participant quoted a figure over £100 million, although we understand the real price was around £40 million. This is an example where more timely transparency may have led to a better result.

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on the findings within this report in order to determine how the organisation wishes to take things forward.

To support you in your improvement journey the Peer Team have identified a number of key recommendations, some of which you may already have in hand. We welcome your response to these recommendations within the next three months through the development of an action plan.

Your Principal Adviser Mona Sehgal (Email: mona.sehgal@local.gov.uk) and her team have been providing ongoing support to the council and will be in contact to discuss assisting the council in its response to this peer challenge.

We are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The Council received an LGA Corporate Peer Challenge in February 2019 and a follow up visit has yet to be scheduled. We will discuss with the council how follow-up work by the governance peer team can be scheduled to be of most benefit to the council without necessarily subjecting the council to a series of peer challenges and follow-up visits.