

## **Overview & Scrutiny Committee – Meeting held on Thursday, 17th November, 2022.**

**Present:-** Councillors Gahir (Chair), Matloob (Vice-Chair), Akbar, Bal, Basra, P. Bedi, Kaur, M. Malik and S. Malik

**Also present under Rule 30:-** Councillors Hulme, Sandhu and Swindlehurst

**Apologies for Absence:-** None.

### **PART I**

#### **15. Declarations of Interest**

Councillor Bal declared that his daughter worked for Slough Borough Council.

#### **16. Minutes of the Last Meeting held on 13th October 2022**

**Resolved –** That the minutes of the meeting held on 13<sup>th</sup> October 2022 be approved as a correct record.

#### **17. Member Questions**

No Member Questions had been submitted.

#### **18. Improvement and Recovery update**

The Leader of the Council introduced a report and answered questions from the Committee about the progress being made against each of the Secretary of State Directions issued in December 2021 and the overall Council recovery and improvement plan.

A comprehensive update that had been written to the Improvement & Recovery Board was provided to the Committee at Appendix A to the report. The update would also be received by Cabinet and Council on 21<sup>st</sup> and 22<sup>nd</sup> November respectively. The Commissioners would be writing to the Secretary of State in December, a year on from their arrival in Slough.

The Leader stated that good progress had been made overall and he summarised the key points as follows:

- The asset disposal programme which was crucial to the Council's financial recovery had now moved forward with the first disposals of out-of-borough and non-operational assets agreed by Cabinet. It was expected that sales would be approximately £150m by the Spring of 2023, which was ahead of the assumptions on the Council's financial plans, and this would have a beneficial financial impact in relation to the future level of the capitalisation direction, borrowing and borrowing

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costs. The Akzo Nobel disposal was due to be completed in November and the agreed sale price would be a considerable profit on the amount paid by the Council in 2021.

- The management restructure had been delivered with a new, full time Chief Executive appointed, a new Monitoring Officer and other important appointments to the Executive Director tier including Marc Gadsby as the permanent director of adult services and Pat Hayes as the new Executive Director of Property & Housing who would lead the asset disposal programme. The search for a new director of children's services and chief executive of Slough Children First continued.
- Restructures of key services such as finance, IT and customer services were progressing well. Recruitment for senior finance managers, including a permanent Section 151 Officer, was underway. The Council had already put in place improvements to procurement and contract management including a new contracts register that was already helping to identify savings and efficiencies. Accounts for 2018/19 and 2019/20 had been submitted to the auditors.

The Leader stated that stabilising the Council's financial position and beginning the process of repair had been the first priority over the past year and now that that was progressing well the focus would shift towards other areas of the recovery plan. It was recognised that progress on the Direction relating to scrutiny had not been sufficient but that plans were in place to accelerate this with the scrutiny review to be considered elsewhere on the agenda. The Executive Director for Finance & Commercial and the Operating Officer also commented on various aspects of the report including the status of the financial accounts, budget monitor and future reporting arrangements.

The Committee had a wide ranging discussion and asked a number of questions of the Leader. Asked for his overall assessment of the progress of the recovery, the Leader expressed the view that the Council was, on balance, ahead of schedule in a number of key areas such as financial repair, which had been the immediate priority and focus since the Section 114 notice was issued in July 2021. The asset disposal programme was also highlighted as progressing well and excellent progress had also been made on specific issues such as the deficit on the Dedicated Schools Grant. The significant reduction in the future expected level of capitalisation requirements, as reported to the last meeting of the Committee and to Cabinet and Council, meant that there was a clear path to become a financially sustainable Council in the future. However, it was emphasised that many difficult decisions would still need to be made and the delivery of the financial strategy of savings and asset disposals remained critically important. There were also a number of emerging pressures such as rising pay, energy and borrowing costs that the Council would need to manage.

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The appointments to the Director tier would now put the Council in a stronger position to continue to deliver the next phase of recovery. It was acknowledged that there were areas where progress had been slower and this was likely to be reflected in the Commissioners first year report to the Secretary of State. One of the key areas for the next stage would be culture change. The Committee agreed it was a key area but one which was harder to monitor and measure compared to other aspects of the recovery process.

In response to a question about the key risks facing the Council the Leader commented that children's services was a significant concern given both its historic and current year overspends. It would be important to recruit a permanent director/chief executive of the company at the earliest opportunity. More generally it was reported that an improved corporate risk register had been developed and was reviewed regularly by the Audit & Corporate Governance Committee.

A number of questions were asked about the duration, model and experience of the Government intervention. The Leader responded that the intervention was for three years and that the direction and advice from each of the three Commissioners had been valuable. The model of a joint chief executive and assistant commissioner in Gavin Jones had provided leadership and stability since January 2022, but now was the right time to appoint a full time chief executive in Stephen Brown. The Leader placed on record his thanks to Mr Jones for the important role he had played in the early stages of Slough's recovery, particularly the development of the Corporate Plan, and he was pleased the Council would continue to benefit from Mr Jones' experience and expertise as he continued in his role as a Commissioner. The capitalisation direction model had been necessary and appropriate for Slough, but it may not be appropriate for other local authorities who required exceptional financial support. It was noted that a growing number of councils across the country were showing signs of financial distress.

The Committee asked a range of specific questions about procurement, performance reporting, savings tracking and the Council's future operating model which the Leader and Officers responded to. At the conclusion of the discussion the Committee confirmed it wanted to play an active role in scrutinising the delivery of recovery and improvement plans by aligning scrutiny work programmes. The Chair thanked the Leader and Officers for their attendance and the recommendations were then agreed.

### **Resolved –**

- (a) That the progress made by the Council in addressing the Directions of the Secretary of State be noted;
- (b) That the next steps to deliver against the action plans and other workstreams that had been developed to address the Directions be noted;

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- (c) That it be agreed to receive further regular updates of progress on a quarterly basis, with exact timings dependent on the cycle of Commissioner's reports to Government.
- (d) That the Committee continue to be involved in Slough's recovery as the key focus of future scrutiny work programmes to ensure was properly scrutinising the councils work in this area and making recommendations to Cabinet for consideration.

### **19. Scrutiny Improvement Review**

The Head of Governance & Scrutiny introduced a report on the scrutiny improvement review.

The Committee welcomed Ian Parry from the Centre for Governance & Scrutiny to the meeting and thanked him for the report they had provided to the Council. Mr Parry summarised the key findings and recommendations which included focusing scrutiny on the Council's recovery. He commented this approach had worked well in other council's that had been in a similar position to Slough. The report also proposed moving to a single Corporate Improvement Scrutiny Committee which would then commission task and finish group activity.

The Committee was being asked to note and endorse the report and to re-establish a Scrutiny Working Group to consider the issues in detail and make recommendations to Council. A range of views were expressed about several aspects of the reports including pre-meetings, resources, chairs and committee structures. These issues could be explored in depth by the Working Group.

Following discussion, the Committee agreed two adjustments to the proposed recommendations. Firstly, to shorten the phrase '...as soon as practicable ahead of May 2023' in recommendation (d) by removing the words 'ahead of May 2023'. Secondly, by adding a clause asking the proposed Working Group to give consideration to having two scrutiny committees rather than the single one recommended by the Centre for Governance and Scrutiny.

Noting these amendments, the recommendations were agreed.

#### **Recommended to Council –**

- (a) That the actions to date and next steps in the Scrutiny Improvement Action Plan at Appendix B to the report be noted;
- (b) That the findings of the Centre for Governance and Scrutiny's Scrutiny Improvement Review at Appendix A to the report be noted ;
- (c) That the recommendations found in section 3 of the Scrutiny Improvement Review Feedback Report Letter be endorsed;

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(d) That a Scrutiny Working Group be reconvened in order to make recommendations to Council, as soon as practicable, about the detailed changes to Overview and Scrutiny, plus associated constitutional changes, and that consideration be given to recommending a second committee in addition to the proposed Corporate Improvement Scrutiny Committee.

### **20. Members' Attendance Record**

**Resolved** – That the record of Members' attendance be noted.

### **21. Date of Next Meeting - 1st December 2022**

The date of the next meeting was confirmed as 1<sup>st</sup> December 2022.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.51 pm)