

SLOUGH BOROUGH COUNCIL

REPORT TO: Council **DATE:** 20 September 2021
SUBJECT: Recovery and Renewal Plan
CONTACT OFFICER: Executive Board
WARD(S): All

PART I **FOR ENDORSEMENT**

RECOMMENDATIONS OF THE CABINET FROM ITS MEETING HELD ON 20TH SEPTEMBER 2021

A) RECOVERY AND RENEWAL PLAN

1. Purpose of Report

This report sets out the current plans for the Council's recovery and renewal.

2 Recommendations:

The Council is requested to:

(a) Note the plans being developed for the recovery and renewal of Slough Borough Council as set out in Appendix 1.

b) Note the timelines set out in this report to achieve the ambitious timescales set out in the Council's recovery and renewal plan.

Reason: To ensure that the recovery and renewal programme is established so the Council can return to a position of financial sustainability.

3 Report

3.1 On 2nd July 2021 the Council's Director of Finance & s151 Officer issued a report under s114 of the Local Government Finance Act 1988, which was sent to all Councillors. This advised them that the Council faces "a financial situation of an extremely serious nature". In response to this, we have been working to urgently develop our recovery and renewal plan which is planned to ensure the Council's roadmap to a financially sustainable Council by 2026/27. This will ensure we are able to navigate out of our current challenges towards a planned financially sustainable future. The current plan is at Appendix 1, however this will be kept under review and updates will be regularly reported to members.

3.2 Options considered:

(a) continue with current policy framework. The priorities of the Council need to move to ensure a financially sustainable future. This option is not recommended.

(b) adapt the current 5-year Corporate Plan. The Corporate Plan was due to be overhauled this year but the urgency and focus of the challenge demands a complete focus on recovery. This option is not recommended

Background

3.3 Slough Council faces severe financial challenges and it must be able to plot a path to a sustainable financial future so that it can preserve vital and critical local public services to the most vulnerable in the community. The Council's current balance is estimated to be £56m in deficit, and the forecasts are that this will further deteriorate until it could be above £200m in deficit across the period 2016/17 to 2026/27 if action is not taken.

3.4 The Council's immediate financial position cannot be addressed purely through better "housekeeping", increased council tax income and business rate income. To survive financially as an organisation the Council must focus the resources it has on the most vulnerable residents and corporate priorities, the Council will need to:

- stop funding many services, even those that have historically been seen as "untouchable" reset expenditure on most of those remaining to a level that is financially sustainable
- ensure it continues to meet its statutory responsibilities – and ensure that this is done in the most cost effective and efficient way
- reduce staffing levels
- sell the vast majority of its accumulated assets and significantly reduce the size of the capital programme

3.5 The financial situation beyond 2022/23 is far from secure and, in order to rectify this, the Council is going to have to fundamentally change. It is clear that the scale of this will be radical, but Slough Council can and will seize this as a unique opportunity. The Council now faces a financial challenge that gives it the opportunity to redefine its role in the delivery of public services and delivering outcomes for local residents.

3.6 Slough 2040 outlines the ambitions for the future of Slough. It is a vision shared by our partners and should help direct the Council to how it enables services with focus on protecting the most vulnerable people. We will continue to work with our statutory partners, the voluntary sector, residents and businesses to transform this vision into a reality. However, the role of Slough Council in delivering this vision will have to change. Every department, staff member and councillor will need to sign up to this, and every part of Slough (and its partners) has a key role to play in enabling the success.

3.7 The Council's 5 year plan 2020-2025 sets out the priority outcomes for the Council. This was agreed against the then assumed budget position. Many of the outcomes remain important, but it is absolutely right that, given the severe additional financial pressures that the Council now faces, the Council reviews and refocuses its plan on ensuring that the Council's finances are put back onto a stable footing. The Council needs to significantly, and quickly, restructure and focus on doing the basics well. Over the next 7 months we will be working on a new 5 year plan for approval by full Council in May 2022. This will include a new corporate commitment to rebalancing and prioritising services, focusing on and protecting service and resident outcomes and corporate priorities, whilst also keeping and motivating staff. However, this does mean that the Council needs to look at all services across the council and that no services or outcomes should be considered to be sacrosanct.

3.8 Prior to this the Council needs to make a series of fundamental changes immediately that will allow it to ensure financial sustainability in the near future. Whilst a number of these will be a major challenge, it needs to do so to ensure it can financially deliver the services that residents expect, meet its best value duties and set a balanced budget. These changes need to begin immediately with three key actions:

- By 31st October 2021:
 - Each director with their cabinet member(s) will develop and share their high-level service review setting out what services can be realigned, reduced and/or changed to significantly reduce their call on the budget.
 - A council wide prioritising of the key service areas to be delivered will be undertaken
 - Stakeholder and communication plans will be developed on the budget, budget proposals and the new corporate plan
 - Realign reporting lines to provide clear direction to the organisation pending a more permanent restructure

- By May 2022 – All services will have gone through a radical service review that clearly sets out their future role in delivering Slough 2040 and the refreshed 5 year plan within a sustainable financial envelope. We will also be restructuring services on a rolling programme to reflect the Council’s diminished resources

- By May 2023 – We will continue to refine the radical service reviews and shape these linked to how the financial strategy develops over this period.

3.9 The scale of challenge Slough Council faces should not be underestimated. The size of change required needs strong, vibrant, and clear leadership. The Council needs to change the approach and style of its top management leadership and drive the right such leadership culture at all levels of the Council, where staff are empowered to make decisions and lead their teams through the complexities of change and transformation at pace.

3.10 Managers and staff must be trusted and empowered in this new way of working. They will be provided with appropriate support whilst clear expectations are communicated in terms of performance and effectiveness.

4. Implications of the Recommendation

4.1 Financial implications

4.1.1 The consequences of the proposals in this report (when brought together with agenda items 6 and 8) will set the Council on a secure path to financial recovery and a sustainable position going forward

4.2 Legal implications

4.2.1 The Council has a number of statutory duties in relation to strategy and financial management. This includes a best value duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

4.2.2 Decisions in relation to strategy and financial management will need to be made by all levels of the organisation. Full Council will be responsible for estimating and setting the budget for the purpose of setting council tax. Full Council is also responsible for approving the policy framework, which includes a list of prescribed statutory plans and strategies, as well as plans or strategies for the control of the Council's borrowing, investments or capital expenditure or for determining the Council's minimum revenue provision. Decisions made at Full Council level will include responsibility for approving an updated 5-year plan, as well as approval of the Treasury Management Strategy and the Capital Programme. Cabinet is responsible for determining how expenditure will be incurred, so long as this is in accordance with the overall budget and for setting policy outside of the prescribed policy framework. This means that Cabinet should be involved in decision-making around service provision, where these decisions are not within delegated authority for officers.

4.3 **Risk management implications**

4.3.1 As we focus on our recovery and renewal, we will develop a risk log which links to our corporate risk register.

4.4 **Environmental implications**

4.4.1 At this stage these are unknown but will be assessed as part of the options appraisal process.

4.5 **Equality implications**

4.5.1 There will be a number of impacts that these changes will initiate. A full equalities impact assessment is part of every business case being assessed.

4.6 **Workforce implications**

4.7.1 There will be workforce implications that will result from business cases and changes to the Council's strategic planning. These will be considered and reported on in individual business cases.

4.8 **Property implications**

4.8.1 Cabinet has received a separate report on the Council's plans to dispose of assets to repay any capitalisation direction and to reduce its borrowing. There will also be property implications arising from some of the service reviews which will be reported on in individual business cases.

5. **Appendices**

Appendix 1 - Slough Borough Council Recovery Plan

6. **Background Papers**

None