

## SLOUGH BOROUGH COUNCIL

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	29 March 2022
<b>SUBJECT:</b>	Slough Borough Council First Stage Recovery Plan
<b>CHIEF OFFICER:</b>	Gavin Jones, Chief Executive
<b>CONTACT OFFICER:</b>	Steve Mair, Section 151 Officer
<b>WARD(S):</b>	All
<b>PORTFOLIO:</b>	Councillor Swindlehurst, Leader, Forward Strategy & Corporate Resource
<b>KEY DECISION:</b>	NO
<b>EXEMPT:</b>	NO
<b>DECISION SUBJECT TO CALL IN:</b>	YES
<b>APPENDICES:</b>	A – Draft High Level Recovery Plan

### 1 **Summary and Recommendations**

1.1 This report sets out high-level proposals for SBC's Recovery Plan.

#### **Recommendations:**

1.2 Cabinet is recommended to:

- Agree the key themes and approach for developing the council's Recovery Plan, as outlined in this report (sections 3 & 4).

#### **Reason:**

1.3 A robust recovery plan is required to provide a focal strategy for the council's recovery and improvement journey, and to outline the council's new priorities and its approach to realising them. The plan will help demonstrate to residents, staff, partners, and Government that the Council is capable of, and committed to, addressing the causes of failure and delivering rapid improvement.

### **Commissioner Review**

*"Commissioners will follow the discussion at Cabinet with interest."*

## 2 Background

### 2.1 Introduction

2.1.1 This report sets out an approach for the development of the council's Recovery Plan, which will ensure a reset in the strategic aims of the council, sustainable financial investment and rebalancing of the budget, as well as providing an initial level of assurance to the Improvement Board that the need for change is understood, and that actions are in train to ensure delivery and improvement takes place.

#### 2.1.2 Options considered

- Produce a Recovery Plan outlining the council's new priorities and improvement journey and replace the previous Corporate Plan – the Five-Year Plan – **Recommended**.
- Adapt the current SBC Five Year (2020-25) Plan – **Rejected** – the current corporate plan makes extensive commitments and the five priority outcomes which comprised its core are no longer fit for purpose. A new corporate plan is required to recognise the scale and severity of the challenges facing the Council.

2.1.3 Slough Borough Council faces exceptionally serious leadership, cultural, financial, governance and operational challenges which have been revealed through a series of external reviews and internal investigations. The scale of the challenge the Council faces is unprecedented and will require a substantial repurposing of the organisation, secured through one of the most significant change programmes in local government.

2.1.4 Since December 2021, the Council has focussed on ensuring that it effectively implements the Directions issued by the Secretary of State. The council has made progress in implementing several specific requirements regarding:

- Financial stability and the long-term budget gap
- Democratic services
- The scrutiny function
- Internal audit
- The procurement and contract management function
- IT
- The officer structure and scheme of delegation

2.1.5 Appendix A provides a summary of the steps that have, and are, being taken to implement these directions.

2.1.6 The Directions also required the council to undertake an assessment of the functional capability of all service areas (see section 3.6), identifying the gaps in capacity and capability. These assessments have identified several strategic themes for improvement, as well as several specific services of significant concern, which will need to be addressed.

2.1.7 SBC is now focusing on producing an effective council-wide Recovery Plan, which will seek to provide assurance to DLUHC, the Cabinet and the Improvement and Recovery Board that it:

- has faced up to its situation and understands its depth and impact
- has acknowledged the errors made in arriving at this position
- is clear about what it needs to do and when
- is continuing to challenge its financial and service issues to ensure that it goes forward as a financially stable organisation

2.1.8 Graeme McDonald, Managing Director, Solace has been providing support to the Council in the development of this Recovery Plan, and this has informed this initial phase of the plan - Appendix A.

## 2.2 Capitalisation request

2.2.1 The Government has indicated that the Secretary of State is 'minded to approve' SBC's capitalisation request of £307m up to 2022/23, subject to the development of an Improvement Plan encompassing the various recommendations made by DLUHC and delivered to the satisfaction of the Commissioners.

2.2.2 The Government will require demonstrable progress in delivering against this Improvement Plan before considering the provision of any Government support for future years beyond 2022/23 and before converting their "minded to" letter to actual capitalisation directions.

## 3. **Recovery Plan – key themes**

3.1 The Chief Executive has identified a set of key themes which will need to be embedded in the Recovery Plan.

3.1.1 The council's recovery plan will be built around seven key themes. The key themes will form the content of the recovery programme, against which actions, deliverables, milestones, and targets will be set. The seven themes are:

- Leadership and culture (NB: a separate paper on this topic is being submitted to Cabinet)
- Financial recovery and onward sustainability
- Business planning and performance management
- Governance
- Organisational capability, capacity, and resilience
- Technological capability, capacity, and resilience
- Citizen Service standards and performance

## 3.2 Leadership and Culture

- 3.2.1 The Council is now under formal intervention from Central Government and has appointed three Commissioners to help the Council take ownership of its recovery and to ensure steps are in place to address subsequent issues.
- 3.2.2 The root cause of any organisational failure of this magnitude is a failure of leadership, at both officer and Member level. Without acknowledgement of this and a formal commitment to addressing this failure, any Recovery Plan is doomed to fail, and as such would be a plan built on sand.
- 3.2.3 For the Council to properly recover over time, the Members and Senior officers must, between them, take responsibility for their individual and collective leadership and for its development across the organisation. Visible signs that the Council is improving its leadership capability will be that at the most senior levels:
- Decisions are based on data and evidence and that professional advice is demonstrably valued
  - Priorities are clear and realistic expectations for delivery are set, supported by timely and effective performance and risk management
  - Clear and effective governance arrangements are in place, understood and followed to support effective decision making
  - A culture of organisational and individual learning and development is firmly established
  - Leaders are visible and approachable they are trusted and trust each other.
  - Communication and engagement with staff and partners is timely and regular
  - The officer/Membership leadership team, design feedback loops to verify from staff, and partners that they are providing the leadership that the organisation needs and to commit to addressing any issues identified
  - The organisation learns from its failures
  - Officers and members are able to move on from the past and focus on the future
  - Meetings, both informal and formal, between officers and members are respectful and focused on collective discussion and debate on proposals
  - The organisation is transparent and openly and actively engages with the public and partners to inform decision-making
- 3.2.4 A separate report is being taken to the Cabinet, which will present a set of 12 recommendations to realise these objectives.

## 3.3 Financial recovery and onward sustainability

- 3.3.1 The Council has an extensive financial programme that is designed to improve financial standards, rectify the many issues of the past and put the Council onto a sustainable path for the future. The many issues being investigated and reviewed include:

- Statement of accounts and year end close
- Budget setting and delivery
- Investment in companies
- Internal audit and procurement
- Financial systems
- Finance team
- Dedicated Schools Grant
- Insurance
- Business planning
- PFI review
- Revenues and benefits

3.3.2 Detail on the steps that council has taken, and needs to take, to improve financial stability and close the long-term budget gap can be found in Appendix A.

### 3.4 Business planning and performance management

3.4.1 Business planning, reporting, and performance management need to integrate into one cycle of activity, with mechanisms to celebrate successes and adapt where improvements are required. This cycle is co-owned by CLT and Lead Members, with all Associate Directors and Group Managers also playing an integral role.

3.4.2 Improvements are already underway. Slough is taking learning from other councils who have undergone intervention, as well as further councils who are noted for good practice in this area. An existing monthly Management Information dashboard is being further developed to incorporate new priorities linked to the council's recovery aims.

3.4.3 These changes will be introduced by May 2022 in line with the production of the council's Recovery Plan. A library of potential indicators and external good practice examples has been obtained and reviewed, and options are being developed, which CLT and Lead Members will have the opportunity to shape and define.

3.4.4 The new recovery performance framework will inform decision-making during the period of the Recovery Plan, focusing on elements of risk management, financial management, programme management and operational performance. Updates will be made available to the Improvement and Recovery Board, CLT, and Cabinet on a regular basis. Like all performance frameworks, it will evolve over time in response to learning.

### 3.5 Governance

3.5.1 The Council has a history of poor decision-making practices. In part this is attributable to the issues of corporate leadership and organisational culture alluded to at 3.2 above and dealt with in greater depth in the accompanying report. In part too, it is attributable to a lack of understanding of what good looks like. Taken together, these factors have resulted in decisions not always being taken by the correct person/part of the organisation; not based on good evidence or high-quality reports; not in a timely manner; and without sufficient openness or accountability.

3.5.2 The work of addressing the issues has begun and includes:

- Officer and member training
- Revised officer scheme of delegations
- Closer monitoring of the report-clearing cycle (including more rigorous quality assurance)
- Specific support for Scrutiny Chairs
- Revised terms of reference to enhance the work of the Audit & Corporate Governance Committee (which among other things reinforces the committee's regular reporting processes and its ability to report to Cabinet in a proactive manner as and when needed)
- Strengthened whistleblowing procedures
- An acknowledgement that the work of Cabinet, Scrutiny, Audit & Corporate Governance Committee, and Full Council must be supported by good forward planning.

3.5.3 This work will be continuous, it will evolve to meet the needs of the Council as leadership and cultural changes take hold; and the effectiveness of measures implemented so far will be monitored.

### 3.6 Organisational capability, capacity and resilience

3.6.1 In accordance with the Directions from the Secretary of State, each service area has produced a Functional Capability Assessment - identifying the gaps in capacity and capability. These assessments have identified several key strategic challenges for improvement, which will need to be addressed in the Recovery Plan:

- Leadership and Management
- Staffing levels
- Communication
- Programme and change management capacity
- Data, Insight & Performance Management
- Partnerships

3.6.2 The assessments have also highlighted several services, where urgent action is needed to improve capacity and capability:

- Inclusion (SEND)
- ICT
- HR
- Public Health
- Place and Community – Asset Disposal, Planning and Housing

3.6.3 Services are now producing costed action plans to address the gaps in capacity and capability that have been identified. These must be produced to the satisfaction of the commissioners by May.

### 3.7 Technological capability, capacity and resilience

3.7.1 There are numerous challenges with systems affecting services' capability across the council. A major programme of remedial work is required.

3.7.2 All core systems, reporting solutions and public-facing portals require improvement to some degree. The security and reliability of our systems infrastructure needs enhancing – at present this represents a significant risk of major outage, loss of data and breach of GDPR, as well as risking the Council’s ability to continue to offer front line services. Key challenges include:

- A historic under investment in ICT
- Unsuccessful experience of outsourcing – with the service operating in a state of flux for the past two years, due to transitioning back from an externalised transactional services provider.
- Outdated systems and infrastructure which are no longer robust or resilient and hinder improvements
- Products which are out of vendor support and/or no longer supported
- Challenges adapting to hybrid and remote working
- Risks relating to cyber resilience.

3.7.3 The ICT service is embarking on a significant three-year work programme to secure and stabilise the current operating environment. This will seek to mitigate the key risks and provide a resilient platform for the modernisation and development of an ICT landscape that supports and delivers the opportunity for business operational improvements, through cost savings and improved service delivery.

3.7.4 Multiple reviews and reports have been undertaken both internally and externally and recommendations have been provided. These reviews have confirmed these risk factors. The priorities are:

- **Tactical:** ICT needs to quickly update, replace, or remove systems and services which pose an immediate security or reliability risk to the day-to-day operation of the Council
- **Resource:** ICT is significantly stretched, as many areas are, and as such needs to maximise available time for the staff it has. ICT needs to not only deliver tactical improvements but build a foundation which means a more flexible and effective Council can operate utilising technology.
- **Strategic:** The Council needs to adopt and develop new ways of working and make technology work better and smarter to help provide services to the residents of Slough. However, ICT cannot implement strategic solutions until the foundations are stable, safe, and secure.

### 3.8 Citizen Service standards and performance

3.8.1 The council’s recovery aims all focus on establishing a consistently good level of service to residents and businesses in Slough. Without consistently good customer service, provision at this level is impossible. It is recognised that the council’s customer engagement offer, across departments, has not been consistently good. How residents can contact the council can be confusing, and many residents tell us that they do not get the response they expect in an appropriate timeframe. The council recognises it needs to proactively engage with, listen to, and respond to the needs of residents and businesses. To address this, will work provide residents with a range of mediums by which they can contact the council, and receive a decent, timely response.

- 3.8.2 The council has already started to take tangible steps to improve the experience that residents have when engaging with the council. During 2021 the council launched a new website alongside a set of new digital options for residents to engage with the council, and the council with them. The number of e-forms completed by residents and businesses are forecast to triple in 2021/22 compared to previous years, and the council's aim is to improve residents' digital engagement options further through this recovery plan.
- 3.8.3 The council also embarked on the largest programme of public consultation in recent years, with a number of public consultations on proposals, including closure of directly provided Adult Social Care services, libraries and the election cycle.
- 3.8.4 However, the council recognises it has not consistently met good standards in customer engagement across each of its departments. To improve this, the council will be developing a customer engagement excellence programme, which will focus on embedding positive values and practices through upskilling staff and recruitment. This strategic HR and organisational development approach will value ambitious employees, create a supportive and challenging learning environment, and embed a strong sense of accountability underpinned by the Nolan Principles for standards in public life:
- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership

## **4. Recovery Plan – approach and emerging priorities**

### **4.1 Approach**

- 4.1.1 From the outset it will be important to set clear principles to operate within so that taxpayers, service users, external partners and staff can see that the Council is taking an approach that is fundamentally different from the past. The political and managerial leadership teams have together committed to greater transparency and openness in the Council's operation, and this will be an integral theme underpinning all aspects of the Council's business.
- 4.1.2 Measuring and monitoring delivery and actual change will be central to provide assurance on the implementation of the Recovery Plan. The Corporate Leadership Team will work with staff and Members to co-create criteria to measure and evidence progress in a meaningful way.

4.1.3 Reaching out to staff, external partners and the wider community and actively seeking their involvement in co-designing and co-delivery of much of the change needed will be another hallmark of the new way of working. A very strong message from the reviews is the need to change the culture (see section 3.2). Designing a new operating environment to tackle this culture without the full involvement of staff would be entirely inappropriate and highly likely to fail.

4.1.4 The work to date has identified significant weaknesses in the corporate elements of the organisations with capability hollowed out in such a way that has constrained the Council's ability to respond to the reviews and Government direction swiftly. An important early stage will therefore be the creation of that strategic capability particularly in areas such as human resources, organisational development, policy and communications.

## 4.2 Emerging corporate priorities

4.2.1 The political and managerial leadership teams are undertaking a series of externally facilitated workshops to re-set the Council's priorities and new ways of working. This will provide the framework for all service reviews and budgeting activity from that agreement. The output from the initial work indicate that the plan is likely to reflect the following corporate priorities:

- *We will live within our means, balance the budget, and provide best value for taxpayers and service users*
- *We will focus on reducing inequality and poverty in the borough exacerbated by the Covid-19 pandemic*
- *We will focus on providing the best quality core service we can afford. Providing services that keep our most vulnerable residents healthy, public spaces safe and our environment clean.*
- *To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.*

4.2.2 Over the next few weeks and months we will further refine our new corporate priorities, ensuring decisions are led by data and insight.

4.2.3 Service-level priorities will be developed, and actions implemented. Several priorities are emerging, for example the council has:

- Committed to re-establishing a fit-for-purpose Special Educational Needs and Disabilities service in a Written Statement of Action following a recent Ofsted inspection.
- Started the process of designing a Local Plan, which will guide regeneration and inclusive growth within our town.
- Developed options for reform of the libraries service following a recent completion of a public consultation.
- Started the implementation of reforms to day services provided to users of adult social care services and their carers.

4.2.4 In addition, the leadership teams will also agree new ways of working which will cover themes such as:

- *We will practise sound financial management, being clear and timely about what we've spent and honest about what we can afford.*
- *We will focus on what we, uniquely, can do as the local authority as the democratically elected leaders of our borough. This means we will focus on our core services, and a small number of evidence-based outcomes that deliver our priorities. But we will also continue to use our democratic mandate to convene our local and sub-regional partners around a common purpose and to make a clear case for a better deal for Slough.*
- *We will aspire to be a consistently open and transparent council.*
- *We will involve taxpayers, service users and external partners in our decision making. But we will also need to be clear with residents about what we can do, and what we can't. When we have to say no, we will do so with compassion and take the time to explain our decisions.*

## **5. Next steps**

- 5.1 Following the analysis undertaken for the Functional Capability Assessments, services are now producing costed action plans to address the gaps in capacity and capability that have been identified. These must be produced to the satisfaction of the commissioners by May. All services are drafting these costed action plans by mid-April. All plans will be within budgets and will take account of the savings required in 22/23, 23/24, and subsequent years.
- 5.2 Service priorities will be developed during a series of senior officer-member-commissioner workshops hosted by the Local Government Association, and through subsequent discussions. The service priorities will respond directly to the most pressing needs of residents and businesses in Slough.
- 5.3 These inputs will feed into a finalised council-wide Recovery Plan which will be brought to Cabinet and Full Council for approval on the 11<sup>th</sup> and 19<sup>th</sup> May respectively.

## **6. Implications of the Recommendation**

### **6.1 Financial implications**

- 6.1.1 The financial implications arising from the recovery plan will be costed and reported with the final plan due at the end of May 2022. The finalised recovery plan will require extensive analysis to ensure it can be delivered within SBC's budget.

### **6.2 Legal implications**

- 6.2.1 The Council has a duty under section 3 of the Local Government Act 1999 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. The statutory guidance confirms that value includes economic,

environmental and social value and that social value is about seeking to maximise the additional benefit that can be created by procuring or commissioning good and services, above and beyond the benefit of merely the goods and services themselves.

- 6.2.2 Before deciding how to fulfil the best value duty, local authorities are under a duty to consult representatives of a wide range of local persons, including council tax payers, service users and those appearing to have an interest in any of the local authority's functions. This should include local voluntary and community organisations and small businesses and should apply throughout the commissioning cycle, including decommissioning of services. As part of its recovery plan, the Council needs to consider how it can ensure public participation in decision-making.
- 6.2.3 On 1 December 2021, the Secretary of State for Levelling Up, Housing and Communities made a direction that the Council had failed to comply with the requirements of Part 1 of the Local Government Act 1999, following the receipt of two commissioned reports. Commissioners were appointed to support, report on and where prescribed exercise functions of the Council. The Council was directed to take a number of actions, which include preparing and agreeing an improvement plan to the satisfaction of the Commissioners, such a plan to include a number of actions plans. Some of these actions plans have been produced under separate reports and will be aligned with the over-arching improvement plan. The Council must also report to the Commissioners on a 6 monthly basis on the delivery of the Improvement Plan. Due to the scale of the challenges and necessary changes, it is likely that the Improvement Plan will be subject to revision and updating as further work is undertaken to address these challenges.
- 6.2.4 As the Improvement Plan is replacing the Council's Five Year Plan, it forms part of the Policy Framework and its approval is therefore reserved to Full Council. It is proposed that the Improvement Plan is approved by Full Council after the May elections.

### 6.3 Risk management implications

- 6.3.1 Failure to develop and implement a timely and robust recovery plan will hinder the council's ability to demonstrate that it is effectively facing up to and addressing the major that challenges that have been identified. This will be mitigated through high levels of engagement from the political and managerial leadership teams. Steps are also being taken to bring in additional resource to coordinate the implementation of the Recovery Plan and provide the necessary programme management assurance.
- 6.3.2 The risks surrounding the Recovery Plan are being tracked via the Corporate Risk Register. Identified actions that are required to mitigate risks are as follows:
- Complete review of all functions (Functional Capability Assessments are now complete).
  - Costed improvement plans.
  - Prioritisation of ongoing services and service levels.
  - Sale of assets.
  - Downsizing of the Council.
  - Investment in services that allow the Council to function safely.

- Reprioritised digital and ICT improvement programme.
- Data and Insight to support service delivery and decision making.

6.3.3 As of 14<sup>th</sup> February, the risks were rated as follows:

	Inherent Risk	Residual Risk	Target Risk
Likelihood	6	5	3
Impact	4	3	2
Score	24	15	6

#### 6.4 Environmental implications

6.4.1 There are no specific environmental implications in relation to this report.

#### 6.5 Equality implications

6.5.1 Producing a robust recovery plan is essential to ensuring that the council can effectively discharge its public sector equality duties. In their recent workshops, the political and managerial leadership teams have agreed that reducing inequalities in the borough will remain a priority for the council. An equalities impact assessment will be produced alongside the finalised recovery plan when this is brought forward for approval.

#### 6.6 Procurement implications

6.6.1 There are no specific procurement implications in relation to this report. SBC's plans to achieve improvements in relation to the proper functioning of the procurement and contract management function are described in Appendix A.

#### 6.7 Workforce implications

6.7.1 There are no immediate workforce implications to this report. Staffing challenges have been identified via the Functional Capability Assessment process, which will need to be addressed in the Recovery Plan.

#### 6.8 Property implications

6.8.1 There are no immediate property implications to this report.

### 7. **Background Papers**

Previous reports on SBC's Recovery:

- Recovery Plan – Update, Cabinet, 17 January 2022