

## Slough Borough Council

<b>Report To:</b>	Cabinet
<b>Date:</b>	21 November 2022
<b>Subject:</b>	Improvement and Recovery update
<b>Lead Member:</b>	Councillor James Swindlehurst, Leader of the Council and Cabinet Member for Council Recovery, Forward Strategy & Economic Development
<b>Chief Officer:</b>	Stephen Brown
<b>Contact Officer:</b>	Sarah Hayward
<b>Ward(s):</b>	All
<b>Key Decision:</b>	NO
<b>Exempt:</b>	NO
<b>Decision Subject To Call In:</b>	NO
<b>Appendices:</b>	Appendix 1 – Report to Improvement and Recovery Board 3 November 2022

### 1. Summary and Recommendations

- 1.1 This report provides an update to Scrutiny and Cabinet on the progress being made by the Council against each of the Secretary of State Directions issued in December 2021, and the overall council recovery plan
- 1.2 This report focuses on the directions as that has been the main focus of recent work and assessment of progress in delivering against them will be a key focus of the Commissioners' next report to Government.
- 1.3 This includes an outline of the various action plans that the Council was directed to put in place to address specific issues.
- 1.4 It is intended that further update reports will be brought on a quarterly basis, with exact timings dependent on the cycle of Commissioner's reports to Government. This is in addition to stand alone reports on specific recovery themes and improvement activities.

#### **Recommendations:**

- 1.5 Cabinet is requested to:
  - a) Note the progress made by the Council in addressing the Directions of the Secretary of State;

- b) Comment on the contents of the report and whether there is additional information or issues Cabinet would like to be cited on
- c) Agree to the proposed next steps to deliver against the action plans and other workstreams that have been developed to address the Directions;
- d) Agree to further regular updates of progress to be submitted on a quarterly basis, with exact timings dependent on the cycle of Commissioner's reports to Government.

## **Reason**

- 1.6 The Council is necessarily having to address a wide range of problems and issues identified by a series of external reviews in 2021 which resulted in the Secretary of State determining that the Council had failed in numerous ways to comply with its best value duty, necessitating the issue of Directions and appointment of Commissioners from 1 December 2021.
- 1.7 This report provides an update against the progress the Council has made in addressing each of the detailed Directions and the next steps to further embed the required changes.
- 1.8 This will address a combination of financial and governance failings to improve the way in which the Council operates.
- 1.9 It is essential that the Council is transparent in its reporting against the Directions to residents and wider stakeholders to build wider confidence in its journey to recovery and improvement.

## **Commissioner Review**

*“Slough Borough Council is approaching the end of the first year of the Secretary of State’s intervention. Commissioners’ views on progress will be set out in their letter to the Secretary of State which will be sent in December.”*

## **2. Report**

### **Introduction**

- 2.1 As Members are aware and have previously been advised the Council has received the following:
  - statutory and non-statutory recommendations from the external auditor,
  - a significant number of recommendations from internal audit,
  - a s114 notice from the Director of Finance,
  - External assurance reports commissioned by Department for Levelling Up, Housing and Communities (DLUHC) to review financial management and governance. Both reports identify significant weaknesses in financial management processes, governance and internal control,
  - a formal direction from DLUHC made under s.15(5) and (6) of the Local Government Act 1999, including a direction that prescribed functions are to be exercised by Commissioners; and
  - the appointment of Commissioners from 1 December 2021.

- 2.2 In response the Council has taken a number of short- and medium-term steps, including approving a new Corporate Plan that set out its strategy for improvement. A series of reports on progress against these has been presented on a regular basis over the past few months.
- 2.3 In recent weeks the council has developed a holistic and corporate approach to reporting the progress we are making which gives all stakeholders a more transparent view of where the council is in driving forward improvements

### **3 Options considered**

- 3.1 The recommended option of regular public reporting is an essential part of Slough's recovery to ensuring transparency and accountability and to allow effective scrutiny.
- 3.2 Other options would be to continue to report on stand-alone recovery themes or to use the Improvement and Recovery Board for this purpose. Whilst there will continue to be stand-alone reports on specific items, it is recommended to have a corporate report pulling the themes together. It is not recommended to rely solely on the Improvement and Recovery Board, as this is a commissioner led body which is not held in public and attended by only a small number of elected members.

### **Background**

- 3.3 It is now almost a year since Commissioners were appointed by the Secretary of State. During that time the Council has had the opportunity to discuss with Commissioners the extent of the challenges it faces.
- 3.4 Officers have reported regularly to elected members on progress, however it has not reported holistically on progress against its Corporate Plan/Recovery Plan which was agreed in May 2022. This report seeks to address that gap now and in the future. At this stage there is a single report covering specific work on the directions, in future it is expected reporting may include fuller reporting on the corporate plan, and/or deeper dives in to individual Directions or other recovery workstreams.
- 3.5 In recent weeks the Council has also made a number of senior level appointments to Corporate Leadership Team including the Chief Executive position. This has created more of a sense of stability and an ability to oversee a refreshed corporate approach to improvement and recovery. In addition, new resource has been created at a corporate level to build greater functionality to design the recovery programme and support delivery.
- 3.6 In part as a result of those appointments, the council now has better capacity to be able to take a more strategic approach to delivering and reporting progress against the directions which has resulted in this corporate reporting.
- 3.7 Prior to the IRB held on 3 November, senior officers and commissioners spent significant time together to ensure a common understanding of the demands of the Directions on the council, progress so far and next steps. Further work and reporting will be undertaken by the next Board in early December and before the next commissioner report to DLUCH.
- 3.8 For these reasons, the appendix to this report presents an overview of the workstreams in place to address each of the Directions. The Appendix sets out a new reporting template that has been agreed with Commissioners to signpost the direction of travel, the status of improvement and next steps.

## **4 Implications of the Recommendation**

### **Financial implications**

- 4.1 There are no direct financial implications as a result of the recommendations contained in this report.
- 4.2 This progress update report is intended to complement existing financial reporting in particular against the Financial Action Plan.

### **Legal implications**

- 4.3 On 1 December 2021 the Secretary of State for Levelling Up, Housing and Communities made statutory directions requiring the Council to take prescribed actions and that certain functions be exercised from this date by appointed Commissioners, acting jointly or severally. The directions were extended on 1 September 2022. The directions were made under Part 1 of the Local Government Act 1999 due to the Council having failed to comply with its best value duty. The general duty of best value is set out in section 3 of the Local Government Act 1999 and requires local authorities 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”. This requires consideration of overall value, including economic, environmental and social value, when reviewing service provision. There is also a duty to consult when deciding how to fulfil the best value duty.
- 4.4 Annex A of the directions set out the action the Council is required to take. This included functional capability assessments of all service areas and preparing and agreeing an improvement plan containing a number of action plans. The functional capability assessments were reported to Cabinet in March 2022 and have formed the basis of service delivery plans. The improvement plan was approved by full Council in May 2022 with a series of recovery themes. Work is continuing on the detail of the action plans under each of these themes. The Council is required to report to the Commissioners on the delivery of the Improvement Plan at six monthly intervals or such intervals as the Commissioners may direct. The Council has been reporting to the Commissioners at monthly improvement and recovery boards and will be adopting the recent feedback given by the commissioners in meetings on each of the action plans. There is a specific direction on a programme of cultural change. A report was brought to Cabinet in March 2022 agreeing actions against this direction and this work underpins all other actions plans and recovery work. There is also a specific direction on reviewing the Council’s companies. Progress on this has been reported in the Finance Action Plan, as well as in standalone reports. Reports will be presented to Cabinet on each of the remaining companies this financial year. There is a specific direction on better and evidence-based decision making, including enhancing the use of data and insight. This underpins all Council action plans and improvements as it is at the centre of how public bodies should make decisions.
- 4.5 Annex C sets out the functions to be exercised by the Commissioners. This includes functions associated with governance and scrutiny of strategic decisions, requirements for the proper administration of financial affairs, functions associated with the oversight of collection of revenues and benefits and appointment of the three statutory governance officers and the scrutiny officer, as well as functions to define the officer structure at a senior level, determine recruitment processes and recruit relevant staff to these positions. The Explanatory Memorandum to this Direction confirms that in practice most decisions are expected to be taken by the Council, however the Directions are designed to give the Commissioners the power to tackle weaknesses identified to ensure the Council is better equipped to meet

the best value requirements. Cabinet should have regard to the advice and comments of the Commissioners contained in this report.

## Risk management implications

4.6 The table below sets the key risks

Risk	Summary	Mitigations
Financial	Failure to deliver financial sustainability	Financial action plan, Capitalisation Directive and immediate to long-term savings plans
Legal	Failure to address the Directions and demonstrate compliance with the Council's best value duties or other legal duties leading to increased legal challenges to decision-making and further statutory intervention.	Appointment of new interim Monitoring Officer to bolster capacity at senior management level. Recruitment of interim support for governance and scrutiny.  A whole system approach, focusing on the basics of local government governance and decision making, including training and development and involvement of legal services at an earlier stage of policy formulation.
Reputational	Failure to meet the requirements contained in the Directions leading to further intervention from Government	A more comprehensive and corporate approach has been developed building on lessons learned over the past year to provide greater confidence in the Council's journey and direction of travel

## Environmental Implications

4.7 There are no direct environmental implications as a result of the recommendations contained in this report.

## Equality implications

4.8 The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are:

- age
- disability;

- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

The broad purpose of this duty is to integrate considerations of equality into day-to-day business and to keep them under review in decision making, the design of policies and the delivery of services.

### **Procurement implications**

4.9 One of the Directions includes specific reference to the procurement and contract management function and this is detailed in the Appendix.

### **Workforce implications**

4.10 Any future changes to the workforce will be subject to full statutory processes and consultation.

### **Property implications**

4.11 The Council has developed an Asset Disposal Strategy and this has been approved by Cabinet.

## **5 Background Papers**

Democratic Governance Action Plan  
Scrutiny Improvement Action Plan  
Companies Governance Action Plan