

Slough Borough Council

Report To:	Cabinet
Date:	17 July 2023
Subject:	Improvement and Recovery update
Lead Member:	Councillor Dexter Smith, Leader of the Council
Chief Officer:	Stephen Brown
Contact Officer:	Sarah Hayward
Ward(s):	All
Key Decision:	NO
Exempt:	NO
Decision Subject To Call In:	NO
Appendices:	Appendix 1 – Report to Improvement and Recovery Board 25 May 2023 Appendix 2 – Report to Improvement and Recovery Board 27 April 2023 Appendix 3 – Report to Improvement and Recovery Board 23 March 2023

1. Summary and Recommendations

- 1.1 This report provides the quarterly update to Cabinet on progress being made by the Council against the Secretary of State Directions issued in December 2021, and the overall council recovery plan.
- 1.2 This report also sets out the current position with Government intervention. Commissioners wrote to the Secretary of State in December 2022 to provide a detailed overview of the progress made by the Council during the first year of intervention. The Secretary of State subsequently wrote to the Council on 16 March 2023.

Recommendations:

- 1.3 Cabinet is requested to:
 - a) Note and comment on the progress made by the Council since the previous report in addressing the Directions of the Secretary of State;
 - b) Note the content of the Commissioners report and letters from the Secretary of State;

- c) Agree to the next steps to deliver against the issues raised by Commissioners and the Secretary of State as set out in the action plans and other workstreams that have been developed to address the Directions.

Reason

- 1.4 Since the last report in February 2023 there have been three meetings of the Improvement and Recovery Board in March, April and May. Copies of the reports to these meetings are attached as Appendices.
- 1.5 The Commissioners wrote to the Secretary of State on 22 December 2022 setting out the position of the Council against the Directions during the first year of intervention <https://www.gov.uk/government/publications/slough-borough-council-commissioners-second-report>.
- 1.6 The Secretary of State has subsequently responded to the report <https://www.gov.uk/government/publications/slough-borough-council-ministerial-response-to-commissioners-second-report> and written to the Council <https://www.gov.uk/government/publications/slough-borough-council-letter-to-chief-executive>
- 1.7 Formal meetings with Commissioners continue monthly in the form of the Improvement and Recovery Board. Quarterly updates will continue to be brought to Scrutiny and Cabinet setting out the detail of the issues reported on at these progress meetings along with additional areas of focus and activity as required by Commissioners, although other Cabinet reports will also reference progress and cabinet agendas and decisions strongly link to improvement and recovery activity.
- 1.8 This report and the appendices set out the progress made to date and the next steps to accelerate change against the journey to recovery and improvement.

Commissioner Review

“The Council is working hard to address the significant problems that it faces. The new administration and senior managers are enthusiastic, realistic, and properly focused on the tasks ahead.

Whist strenuous effort is essential it is not the same as success in resolving the issues. The council will want to resist the temptation to declare victory too soon or to see hard work, on its own, as being enough. Challenges remain and it is not possible yet to say that even in the medium term they will be fully resolved.

These challenges include but are not limited to:

- *Winning the trust and commitment of the workforce to obtain the best from them*
- *Having a strong medium term financial strategy and a firm financial footing*
- *Implementing effective IT systems and processes*
- *Improving engagement with the public*
- *Fully engaging elected members in the running of the council*
- *Delivering improvement at pace*
- *Anticipating, preparing for and removing obstacles to the planned improvements*
- *Rising to the challenges faced by children in Slough”*

2. Report

Introduction

- 2.1 As previously reported Members are aware the Council received 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 The Council took a number of steps, including approving a new Corporate Plan in May 2022 that set out its strategy for improvement. This is in the process of being refreshed and a report will be submitted to June Cabinet to approve a version for public consultation.
- 2.3 Commissioners have recognised that there is now a more holistic approach to reporting progress against the various action plans in place to address the Directions and this is presented in the reports attached to the Improvement and Recovery Board.
- 2.4 The Commissioners' report to the Secretary of State dated 22 December 2022 sets out the position after the first 12 months of intervention and highlights a number of outstanding concerns which are summarised in the Background section of this report.
- 2.5 The Secretary of State subsequently wrote to the council in March 2023.

3 Options considered

- 3.1 It was agreed by Cabinet in November that regular public reporting on the Council's ongoing response to Government intervention was essential to ensure transparency and accountability.
- 3.2 This report enables Cabinet to formally note and comment on the next steps for the council following the issues raised in the letters from Commissioners and the Secretary of State, although the new Leader and lead members have already been closely involved with recovery and improvement activity.
- 3.3 A separate report was submitted to June Cabinet on a refresh of the Corporate Plan to set the direction of the council in light of the ongoing challenges faced.

Background

- 3.4 It is now over 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.
- 3.5 The Commissioner team has changed recently with the appointment of Gerard Curran and Denise Murray in May 2023, replacing Max Caller and Margaret Lee. Gavin Jones remains as a commissioner and has been appointed as the Lead Commissioner. A first meeting of the Improvement and Recovery Board with new Commissioners and the new Leader of the Council took place in May.
- 3.6 Cabinet agreed in November to a more holistic method of reporting progress against the Directions and this has been welcomed by Commissioners.
- 3.7 Senior level appointments including the Chief Executive, Executive Directors for Finance & Commercial and Strategy & Improvement have created more of a

sense of stability and an ability to oversee a refreshed corporate approach to financial planning, improvement and recovery.

- 3.8 The Commissioners' report to the Secretary of State sets out the position after the first 12 months of intervention and highlights a number of outstanding concerns. These include:
- Pace of progress and ongoing need for SBC to understand the implications of the Directions and the changes required, both political and officer
 - Lack of progress to promote and embed culture change
 - Challenge of achieving ambitious savings requirements combined with rising service demand particularly children's services
 - External audit and opinion for 2018/19 not yet complete and likely to raise procurement and asset concerns
 - Implications of the acquisition of the Akzo Nobel site
 - Ongoing issues with Slough Children First business plan and financial investment requirement
 - Need for a member committee on SBC companies
 - Requirement for continued financial support beyond the period of the Directions
 - Long-term planning for the viability of the council
- 3.9 It is clear that Commissioners remain extremely concerned at the pace of progress and the long term viability of the council.
- 3.10 For these reasons, the appendices to this report present an overview of the workstreams in place to address each of the Directions and how these have been reported to Commissioners.
- 3.11 To address the specific issues of concern raised by Commissioners the format of the Improvement and Recovery Board has been amended so that alongside the standard reporting on the Directions, there are now 'deep dives' into individual Directions or other recovery workstreams.
- 3.12 A separate report on the council's strategic direction in the form of a refreshed Corporate Plan was submitted to June Cabinet to confirm the continued focus on improvement and recovery and:
- Set a renewed purpose and set of strategic priorities for the council
 - Ensure greater alignment with the medium term financial strategy.
- 3.13 In addition, the Cabinet and other member forums continue to receive reports which relate to specific directions and improvements, including finance action plan updates, reports on specific company governance, updates on ICT, procurement and internal audit progress, asset disposal recommendations and updates and updates on senior officer staffing restructure.

4 Implications of the Recommendation

Financial implications

4.1 This progress update report is intended to complement existing financial reporting in particular against the Financial Action Plan. Any actions arising from the recommendations will be funded from within existing budgets.

Legal implications

4.2 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. Annex A of the directions set out the action the Council is required to take.

4.3 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

4.4 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	Appointment of new interim Monitoring Officer to bolster capacity at senior management level. Recruitment of interim support for governance and scrutiny.

Risk	Summary	Mitigations
	challenges to decision-making and further statutory intervention.	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

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

Equality implications

4.6 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

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

Workforce implications

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

Property implications

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

5 Background Papers