

SLOUGH BOROUGH COUNCIL
ANNUAL GOVERNANCE STATEMENT
2023/24

Scope of Responsibility

Slough Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. In 2021 the Council was found to have failed in its best value duty under the Local Government Act 1999, which requires it to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In delivering its statutory functions, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which includes having appropriate systems of internal control, including arrangements for managing risk.

The Council acknowledges its responsibility for ensuring that there is effective governance within the Council and reviewed its Policy Statement for Corporate Governance, with a new Code of Corporate Governance being approved by Council in May 2024. This Code is consistent with the seven core principles of the CIPFA and SOLACE guidance “Delivering Good Governance in Local Government framework – 2016 Edition”. A copy of this Code is part of the Council’s Constitution, which is accessible on the Council’s website.

This annual governance statement explains how the Council has complied with the Code in the financial year 2023/24 and sets out the areas the Council needs to focus on in 2024/25.

The responsibility for leading and directing the annual review of the effectiveness of the Council’s governance arrangements and providing ongoing oversight and robust challenge lies with the Council’s statutory governance officers, comprising the Chief Executive, Chief Finance Officer (s.151 officer) and Monitoring Officer and the Leader of the Council. The findings have been reported and agreed by the Audit and Corporate Governance Committee, who are also responsible for monitoring compliance with the action plan.

What is Governance?

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

Good governance should ensure the Council is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- Leadership and management
- Performance and risk management
- Stewardship of public money; and
- Public engagement and outcomes for our residents, taxpayers and service users.

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which it has complied with its own Code of Corporate Governance, including how the effectiveness of the arrangements have been monitored and reviewed. The Annual Governance Statement is a valuable means of explaining to the community, service users, taxpayers and other stakeholders the governance arrangements and how the controls that are in place have managed risks of failure in delivering on intended outcomes.

In this document the Council:

- Acknowledges its responsibility for ensuring there is a sound system of governance;
- References the effectiveness of key elements of the governance framework and the roles and responsibilities of individuals and bodies within that framework;
- Provides an opinion on the level of assurance that the governance arrangements can provide and their fitness for purpose;
- Produces an action plan showing actions taken, or proposed, to deal with significant governance issues;
- References how issues raised in the previous year's annual governance statement have been resolved;
- Commits to monitoring implementation as part of the next annual review.

The Annual Governance Statement is normally approved in conjunction with the Council's statement of accounts for the relevant year and it will be published alongside this statement of accounts. However, the Council is unlikely to have its statement of accounts for 2023/24 approved for some months due to a failure to close its accounts and have them audited for several financial years. The failure to promptly close off the statement of accounts is not a reason to delay the preparation and approval of the Annual Governance Statement. However, the accounts process may mean that new information will come to light which requires the Annual Governance Statement to be updated in due course.

Significant external documents published in 2023/24

During 2023/24, the Council received several reports from external bodies and its appointed Department of Levelling Up, Housing and Communities (DLUHC) commissioners, which are relevant to the effectiveness of governance arrangements:

July 2023 – LGSCO Annual Complaints Report

The Local Government & Social Care Ombudsman published his annual report for the Council. This was reported to the Council's Audit and Corporate Governance Committee and relates to complaints in 2022/23. It referenced the public interest report issued in 2022/23 in relation to delays in disabled facilities grant applications. At the time it was noted that most of the recommendations had been complied with, but there was a **lengthy delay in completing the review of arrangements with housing associations**, which was delaying confirmation of satisfactory resolution.

August 2023 – DfE issues statutory directions

The DfE issued two directions.

The first was a further direction under the existing statutory intervention of children's social care functions. This is the seventh direction issued since 2014. The Secretary of State remains satisfied that the Council is **failing to perform its children's services to an adequate standard**. The direction referenced the DLUHC commissioners and an expectation that the **two sets of commissioners will work in partnership on service improvements**.

The second direction related to a decision by the Secretary of State to intervene in the SEND functions due to a finding that the Council was **failing to perform to an adequate standard in some or all of the functions**. The Secretary of State extended the remit of the existing DfE commissioner requiring the Council to comply with their instructions and to engage with DfE progress reviews at least every four months.

September 2023 – DLUHC commissioners' third report

The DLUHC appointed commissioners' third report of July 2023 was published in September. This was the first report by the new commissioner team and the first since the change in political leadership. The report summarised progress between January 2023 and June 2023.

Key issues raised were:

- Demonstrable commitment to improvement, but scale of problems require sustained improvement before any reduction in scale of intervention.
- **Resilience of IT infrastructure remains poor** despite some investment.
- Scrutiny of decisions has improved, with this supporting better decision making and helped deliver important changes to services.

- Stable top team at corporate leadership level with objective to have new management structure by September 2023. Attracting and retaining staff to provide excellent customer service is an important outcome. In particular the restructure should ensure **appropriate capacity and capability in transforming services.**
- **Financial position remains serious** and delivery against budget will be challenging, requiring significant service changes. The appointment of a new Executive Director is having an impact, continuing to strengthen the department, but from a very low base.
- New administration formed with a cooperation agreement with the Liberal Democrats. The Leader has recovery and improvement as part of his portfolio. Member training has improved as has the quality of reports to members.
- The Council should **consider using external resources to help with service delivery** and should be **open and willing to receive external challenge.**
- The Council should use its resident survey results to think about re-engaging and **re-building trust with its communities.** A similar programme is required to **re-build trust with staff.**
- The appointment of a new Director of Children's Services is having a positive impact, but the challenges in this area are deep and will take time to build a sustainable and reliable service.
- With the internal audit function reverting to the Council, the Council needs to demonstrate that it takes audit conclusions seriously, recommendations are acted upon and the **internal audit service contributes to continuous improvement** of systems of governance, risk management and internal control.
- Improvements have been made in procurement and contract management, with an up to date and accurate contracts register, but **recruitment to the procurement function has been difficult.**
- **HR lacks a strategic plan** and the current service is transactional and not supporting the organisation to deliver to the required standards, including in recruitment and performance management.

For next steps, the commissioners highlighted the need for a transformation programme to focus on a best value challenge to all service areas, a new operating model, an accommodation strategy and technology that is fit for purpose.

November 2023 – Grant Thornton publishes lessons learned report

Grant Thornton, the Council's external auditors, published a report dated October 2023 updating the Council on the Audit of Accounts 2018/19. The purpose of the report was to highlight the problems with the accounts production processes, so that the Council and other local authorities can be clear on the lessons to be learned.

Key factors highlighted were:

- **Finance team structure and resources had been eroded** in successive restructures over a number of years;
- Use of interims flowing from reduced in-house capacity, with poor arrangements for supervision and handover;
- Accounting processes and systems led to increased complexity;
- **Poor quality or missing working papers;**
- The Council implemented CIPFA's accounting compilation tool but due to underlying issues at the Council it did not work effectively and contributed to problem;
- Covid 19 led to **remote working which became a further hindrance;**
- Context and culture meant the **finance function was not valued** within wider organisation leading to practical issues and affecting morale of staff;
- Council wide transformation programme led to a further **deterioration in morale and loss of capacity and expertise.**

January 2024 – DfE reports on progress in children's social care

The DfE reported to the Council on its children's social care progress review in November 2023.

Key issues raised were:

- A fundamentally different impression of partnership working, strategic commitment to improving children's welfare and grip on the practice improvement journey.
- The Council and SCF were interacting well and partner agencies were enthused and committed to their shared duties.
- The Council was taking steps to build its relationship with the company board and increase its accountability for and oversight of children's social care. The Council will **need to offer sustained oversight and positive impact** on all children's services.
- Progress is particularly clear and promising in the core area of social care practice improvement.
- The Council needs to **navigate the complexities of interaction with both DLUHC and DfE interventions and Council and company governance** effectively so that each dimension meets the individual purpose and adds value and constructive challenge to children's social care improvement. There should **not be an undue focus on the structure of intervention**, as opposed to practice improvement itself.
- There was evidence of a gradient of positivity, with senior leaders being more positive about improved experienced, service leaders having less clarity on the impact of change and more mixed views at frontline level. Examples were

given at all levels of improvements, but in the future it would be good to hear about a broader range of examples.

- Co-location was welcomed and staff would like to see further links to housing developed.
- Effort should be made to **increase the understanding of the company and role of the non-executive directors** amongst the wider workforce.
- Partnership engagement was vastly improved, with plans to align strategic business plans to reflect this cooperation.

February 2024 – DLUHC commissioners' fourth report

The DLUHC Commissioners' fourth report dated 17 January 2024 was published.

Key issues raised were:

- Progress has been inconsistent and **organisationally the Council remains fragile** with pace and consistency of change not where it should be.
- There is **churn at leadership levels** within the organisation with leadership culture being cited as a reason for some of the departures. Positive change is seen in children's services and this should be a model that the broader Council could build upon.
- **Financial sustainability remains the biggest risk.** Whilst officers and members have worked well together to set a balanced budget for 2024/25 and the medium term, there are inherent risks in the balance sheet and prior years revenue budgets and an over reliance on reserves should be avoided. Whilst there has been some good progress, **the current plans do not demonstrate financial resilience** or the ability of the Council to remain viable, stable and effective in the medium to long term.
- Despite having a new Corporate Plan, there is **no future operating model for the Council.** An effective operating model should define how the Council will utilise technology and change techniques to secure good outcomes in the most cost-effective way.
- Improvements have been made, but many are not yet embedded. Sustained recovery will require leadership that is authentic about a positive culture and creates a working environment where staff can flourish.
- **Staff morale remains low** and the senior officer team need to demonstrate more confidence in tackling organisational issues. Some staff have described behaviours of **some leaders as being "high challenge, low support"**.
- The pace of change and lack of a thought-out prioritised transformation plan is a risk. The development of a data repository is to be welcomed, but there is some way to go before reports to committees and to officer working groups could claim to **use data appropriately, consistently and effectively.**
- Officers have worked hard to support good governance, including publishing the Annual Governance Statement, providing member training, updating and promoting the member officer relations protocol and supporting with report writing skills.

- Audit and scrutiny functions are improving but the level of **inexperience of members, inconsistent reports and variable quality of data remains a challenge for audit** and there is **some way to go before scrutiny operates effectively and is open to efforts to help it improve.**
- Procurement and contract management has made progress, and it is important to **ensure any contract management strategy is tailored and does not take a “one size fits all” approach** through the regular monitoring of key performance indicators.
- Performance monitoring and reporting has improved, with a need for **performance indicators to be kept under review** and amended to meet the corporate priorities of the Council.
- IT improvements have focused on improving reliability and security. **Digital services should feature in the Council’s thinking around target operating model** as a means of lowering cost of delivery and improving productivity.

March 2024 – LGA Digital 360 report received

The LGA’s Digital 360 review was received. A Digital 360 is a funded improvement tool, managed and delivered by the local government sector. The team was asked to explore the question “How are the goals and vision for Slough’s people, place and organisation supported by digitalisation, now, next and future?” with a particular focus on the operating model, pace of change, roles and responsibilities and risks. The findings were as follows:

- The Council has made some progress in improving its core infrastructure and technology, leading to it being more resilient and some progress in developing core IT processes.
- Members see ICT as a key element of the transformation journey and are keen to align business and ICT transformation. With only a fraction of the ICT modernisation budget left, there needs to be **serious consideration as to how improvements are funded beyond 2024/25.**
- The focus on foundational ICT projects have been necessary to create stability, however there is **limited evidence of truly transformative digital activity that changes outward-facing outcomes.**
- The Recovery and Transformation Board provides some centralised governance function, but individual services are responsible for their own transformation journeys which has led to a **disjointed approach.**
- There is an **absence of a corporate focus on customer experience and data** or a realisation of the wider digitalisation outcomes such as participation, data, connectivity, partnerships, or digital inclusion.
- Volatile reorganisations have led to a loss of knowledge and skills. For success, there **needs to be a greater clarity of purpose, demonstrable commitment from senior leaders**, learning and development support to build knowledge and skills to change ways of working and **technology must not be considered in isolation of people skills and process changes.**

March 2024 – CfGS report on review of new scrutiny arrangements

Centre for Governance and Scrutiny (CfGS) progress review update received. The CfGS undertook a review in 2022 and made recommendations to improve the Council's scrutiny processes. In response to this report, the Council, following the May 2023 elections, moved to a single scrutiny committee focused on corporate improvement. A review was undertaken in January and February 2024.

In summary, the findings were as follows:

- Scrutiny is steadily improvement after a fairly slow start, contributed to by new and inexperienced members and the effectiveness of corporate level support. Use of pre-meetings and briefings has led to scrutiny members being better equipped and ready to function.
- The new Chair has key skills and capacity to effectively lead the committee, with good cross party working and commitment from committee members.
- **Need for scrutiny to operate as part of the core** and for whole council support to be provided to make it work in the medium to long term.
- The committee, with support from officers, has done well to craft a work plan and agendas which overall align with corporate and financial delivery plans. However, the **committee must be disciplined about its work programme and apply strict prioritisation** to select what it will scrutinise and leave out. This requires clear rationale and self-discipline to avoid being overwhelmed by issues that claim to be essential to recovery.
- To be more effective in **budget scrutiny, this requires early engagement, planning and resources** to be meaningful and effective.
- The Council's leadership, in principle, recognises the importance of a collaborative and constructively challenging relationship. The relevant Cabinet member should attend every CISC meeting and be the focal point of scrutiny questioning and accountability. **Clarity around the Cabinet member and officer role would be useful** to ensure the meeting focus is clear.
- Member engagement and contribution is widely variable and some members are less effective at understanding and questioning or following the Chair's lead and respecting his authority. **Members need to ensure they build their own understanding of the issues** in front of them, do some independent research and spend time preparing for the meeting itself.
- Members are still seen to pursue ward or personal issues, irrelevant interventions and repetition, which wastes time and deflects the committee's attention. The **committee need to be wary of being swayed by issues which are arising as areas of concern amongst councillors**, even if they are affecting multiple wards. In the short term, the focus must be on recovery and transformation even if this is to be exclusion of other issues. Allocation of 40% financial recovery, 40% transformation and 20% wider issues regarding policy change or pan-borough issues is suggested.

- Appointments and performance are a matter for Group leaders, however it is suggested that **appointments are made after careful consideration of suitability and capacity.**
- The newly formed corporate officer team needs to ask how scrutiny will play a full and active part in the development of the corporate and financial recovery plan and the next phase of transformation. **The scrutiny function should be more integral and given higher corporate priority.** Reports and information should not be overburdening or too technical. To be effective scrutiny members need the appropriate tools.
- Task and finish groups have shown a clear progression in their complexity, focus, member led activity and value, matching the progression of scrutiny members' learning. **The committee needs to strengthen its recommendations and feedback to Cabinet** and its tracker system needs to be more closely monitored to ensure that there is follow-through and accountability for the recommendations.
- There is a **need for clarity around the statutory duties regarding health, crime and disorder and education scrutiny.**

Significant internal audits and management information from 2023/24

This the first year of the internal audit team being in-house, after many years of an outsourced arrangement. By February 2024, the team had issued 10 audits, 8 of which had been finalised. A further 7 audits were in fieldwork stage. There was already evidence of delays in completion of actions, with 25 of the required 69 actions being overdue. This replicates a pattern of behaviour seen in previous years and the Council now have multiple years of outstanding audit actions.

Of the audits completed, **Cash Collection and Management** was given minimal assurance, demonstrating **fundamental weaknesses in the framework of governance, risk management and control.** This relates to the library service, where allocation of income in the accounting system had not taken place since 2020 and cash received had not been banked for over a year, resulting in **large cash sums being held in safes.** Reconciliation of income to bank statements and journals for parking income was not possible, leading to a conclusion that the Council is unable to take assurance that cash income across libraries and car parks has been properly safeguarded and accounted for. **Delays in income being journalled** (3 months overdue) led of a lack of assurance of accuracy of deposits and there was a **lack of segregation of duties**, with reconciliations not being signed off by a reviewer.

Travel and expenses audit also received minimal assurance. There has been evidence of claims above the Expenditure Control Panel limit of £500 being approved, in at least one case as high as £1,400 and inconsistencies in what can be claimed, with **managers approving non allowable claims** such as parking charges. Finally there was **evidence of duplicate claims** having been made and paid.

Management of agency staff received a minimal assurance opinion. There was a lack of evidence of business cases being submitted for ECP approval, nor evidence of the steps being taken to fill vacancies via permanent hires. On 3 out of 20 cases checked, **pre-employment checks were completed retrospectively without a risk assessment being completed** and two instances where **bookings had been deemed outside of IR35 with no retained evidence to demonstrate tax status.**

Partial assurance was given for Adults Safeguarding, with concerns raised about a lack of clarity in role profiles for **safeguarding functions, no specific training calendar** and a list of **safeguarding referrals** open showing 65 records, some dating back to 2015 and 2016, with the **average time to close an incident being over 7 months** and one recorded as over 4 years.

There has been significant turnover in the internal audit service and there is no internal audit opinion for the financial year 2023/24. This is a significant gap in the internal control system.

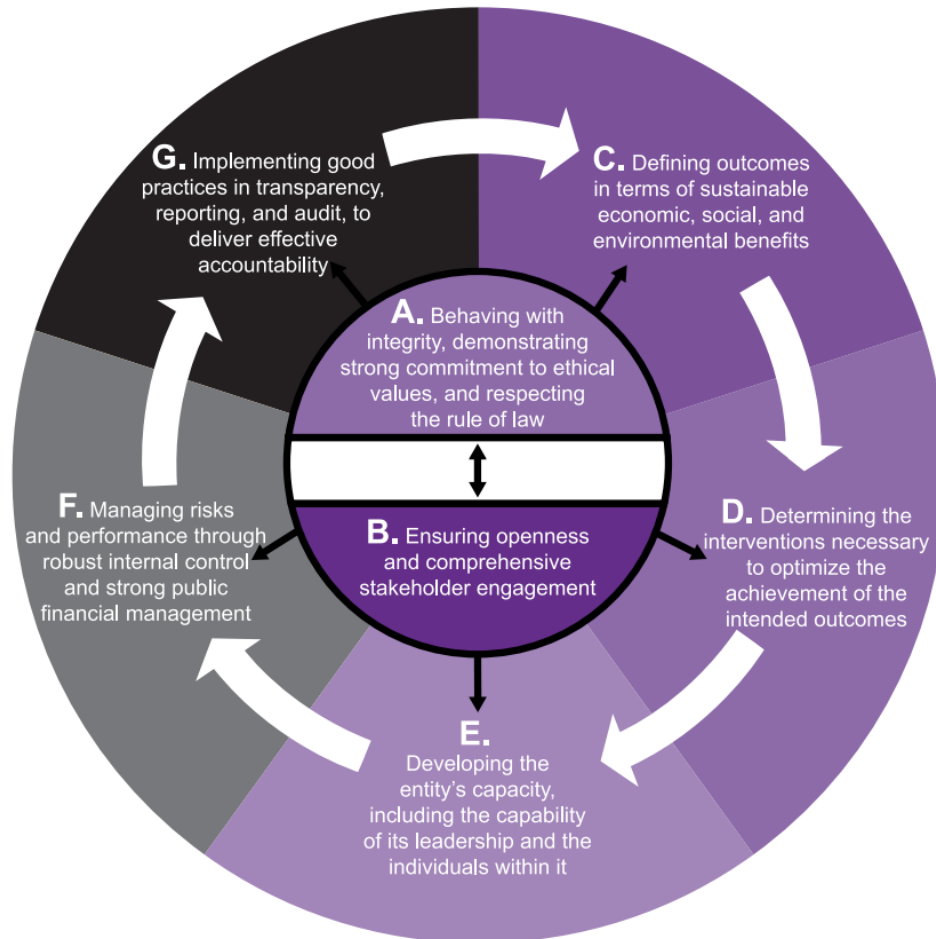
Whilst several senior officers being involved in the assessment and production of this assessment, the Council does not yet have an effective management assurance process in place to inform this governance assessment and enable decisions to be made on priorities. The action plan recommends that the Council utilises the LGA Improvement and Assurance framework for local government to put in place a management assurance process.

The Council's Audit and Corporate Governance Committee completed a self assessment of its ability to provide assurance using the CIPFA self evaluation framework. The annual report presents the findings, which include the following:

- Need for more bespoke training programme
- Need to consider governance of arms length arrangements
- More time to forward plan
- Need to focus on high risk matters and system of internal control
- Not had any value for money assessments
- Need to select members with right skills and who can add value
- Not seen a fraud risk assessment

What is the Council's Governance Framework

The Council has adopted the seven core principles of good governance set out in the CIPFA/ SOLACE framework in its Code of Corporate Governance.



Review of Effectiveness 2023-24

CORE PRINCIPLE A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

| Sub Principles | Assessment of the effectiveness of key element to demonstrate of the council's governance processes during 2023-24 |
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| <p>Behaving with integrity</p> <p>Demonstrating strong commitment to ethical values</p> <p>Respecting the rule of law</p> | <ul style="list-style-type: none"> Standards Committee met on 10 October 2023. The Leader and Chief Executive were invited to attend to answer questions to demonstrate their commitment to good governance and standards of behaviour of both officers and members. In addition an ethical audit desktop analysis was completed. Areas flagged for further consideration included the planned review of the officer onboarding process, the use of a skills audit to identify training needs of individual members. Member officer relations protocol updated and approved by Full Council in January 2024. Member survey conducted and reported to Standards Committee meetings in October 2023 and March 2024. Member induction and development programme devised with input from elected members. Particular areas of focus were the training commissioned from Centre for Governance and Scrutiny (CfGS) for scrutiny members and support from the LGA, including a structured mentoring service. The majority of cabinet members had accepted mentoring support, as have the majority of chairs of committees. The Chair of Audit and Corporate Governance Committee's mentor has attended meetings to offer feedback and support to the chair in managing member dynamics within the meeting. A future aspiration is to apply for charter status for member development, however it was concluded that this is not considered a priority use of resources in 2023/24. This should be kept under review by the Standards Committee in 2024/25. Members' register of interests published and Monitoring Officer has considered any requests for interests to be kept private, requiring evidence of any threat where appropriate. Staff survey undertaken including questions on culture and whistleblowing. More work is needed on reporting the results, action plan and progress following the staff survey. The Council last reviewed its Local Code of Conduct for Employees in 2017. A review was conducted in 2023 with a view to an updated Code applying to all officers being approved at May Annual Council. This will need to be followed up by a training programme to ensure changes are embedded and fit with a wider culture programme. Further work is required on the Council's corporate anti-fraud policies and procedures, including consideration of an external review to ensure the practise is appropriately preventative and proactive in approach. There has been some work on culture change, however more is required to embed the culture and values needed. This fits with feedback from the DLUHC commissioners. The Council has a Whistleblowing Code, which is reviewed annually and a report on this was presented to Standards Committee in March 2024, including follow up actions to a previous internal audit report. The Code is |

being publicised regularly. **More work is required on reporting on the staff survey results in relation to culture.**

- Contractual performance indicators for some externally provided services reviewed and set to focus on ethical values. Examples include Cabinet agreeing new contractual performance indicators for Slough Children First in December 2023, including an indicator on effective governance and culture leading to outcomes focused improvements and an options appraisal for the Councils' repairs, maintenance and investment contract, recommending a model insourcing the customer call centre to ensure appropriate control over service levels.
- Ethical framework embedded into contract procedure rules (CPRs) and associated procedures. The current CPRs confirm that all procurement activity must be undertaken with regard to high standards of probity and in accordance with the ethical framework in the Constitution. The Council is currently reviewing its CPRs to take account of new procurement legislation. This will provide a further opportunity to ensure that ethics and values are embedded into procedures.
- Corporate schedule reviewed weekly at CLT to ensure forward planning and clearance deadlines met. Clearance processes include sign off by finance and legal officers and s.151 officer and Monitoring Officer. **Still issues with late reports**, although use of urgency procedures has been limited and where call in is waived, reports have been submitted to Full Council. **Late reports limit opportunities for informal discussion and debate at lead member and director meetings.**
- **Too many examples of reports being published after statutory deadline**, meaning members do not have sufficient time to digest them prior to the meeting and in some limited cases the need to cancel meetings. On occasions officers have attended to deliver verbal briefings instead of submitted written reports. As well as failing to meet expected statutory deadlines, this **does not represent best practice in relation to transparency as members and the public have limited time to review reports** and consider whether to ask questions or make comments at meetings. There have been improvements in specific areas, including in Corporate Improvement Scrutiny Committee and Audit and Corporate Governance Committee with all committee briefing meetings being used effectively to identify key lines of enquiry and to receive training, but these will only be effective if officers commit to producing reports in good time.
- **Governance of connected entities, including companies and trusts, need improvements** with more than one example, over multiple years, of late filing of accounts.
- Regular meetings with statutory governance officers and established corporate governance group. This has led to review of governance processes and wider input from relevant service areas. **More input from a wider group of staff is required to ensure corporate ownership.**
- Governance learning programme has covered topics such as "working in a political environment", "good scrutiny", "officer code of conduct", "access to information", "lawful consultation, good consultation" and "report writing for success" to assist managers with public law decision-making, with regular attendance from senior officers.

Children’s Centres (May 2023), Berkshire Community Equipment Service procurement (June 2023), Approval of annual Business and Improvement Plan for Slough Children First Limited (September 2023) and A4 Safer Roads (November 2023).

- Constitutional rules permit the public to attend Cabinet to ask questions or make a comment and the rules for public engagement in Planning Committee have been reviewed and amended in 2023. The Council’s Petition Scheme is contained in the Constitution and petitions have been heard at Full Council where the threshold has been met.
- Corporate Improvement Scrutiny Committee (CISC) has undertaken a task and finish group on resident engagement, which will be reporting to a CISC meeting in April 2024.
- Annual complaints report to Audit and Corporate Governance Committee on 13 September 2023 highlighted learning and themes. The DLUHC commissioner comments highlighted that the Council needed to ensure its complaints were handled particularly well with a marked willingness to apologise and it should be rare that a valid complaint should make its way through to and be upheld by the LGSCO. The report included figures and a narrative on the root cause for complaints as well as a section on learning and improvement. The LGSCO launched its Complaint Handling Code in February 2024. Whilst the Code will not form part of formal processes until April 2026 at the earliest, councils are encouraged to adopt the Code as soon as they are able to do so. **It is therefore recommended that a self assessment is undertaken and publicly reported to Audit and Corporate Governance Committee as part of the annual complaints report.**
- There has been an **increase in LGSCO complaints being upheld in relation to SEND**. This relates to delays in arranging provision, but also errors in documentation and a failure to explain processes. The SEND service has a detailed Written Statement of Action and is now under statutory intervention of DfE with an appointed commissioner. The CISC received an update on SEND improvements at its February meeting.
- Resident satisfaction – the LGA was commissioned to conduct a resident satisfaction survey, however there has been a **lack of public reporting on the results and actions to be taken in response**. Resident engagement was a key action from the 2022/23 AGS and a review of progress through the year has led to a recommendation that this remains an action in the 2023/24 AGS.
- The Council has reviewed its communications processes and has re-configured its internal communications approach. **Further work is required on resident engagement**, from communication to co-design and community led delivery of services. **The Council should consider adopting a comprehensive Resident Engagement Strategy**, in addition to the already approved strategies for participation of children and young people and in relation to housing.
- The Council has a co-production network in Adult Social Care and this group has been utilised in the formulation of a number of new strategies, including the Carers’ Strategy, Learning Disabilities Strategy and Autism Strategy.

CORE PRINCIPLE C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

| Sub principles | Assessment of the effectiveness of key elements of the council's governance processes during 2023-24 |
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| <p>Defining outcomes</p> <p>Sustainable economic, social, and environmental benefits</p> | <ul style="list-style-type: none"> ▪ The Council approved a new Corporate Plan in September 2023. This was informed by data and insight including from the 2021 Census data and public consultation. The plan sets out an overarching purpose, five principles and three strategic priorities. The plan has some measurements of success, which are incorporated into its performance reporting. There is an opportunity for the Council to formally review action plans sitting beneath the Corporate Plan to ensure that they remain outcome focused and the measures are driving best value and continuous improvement. ▪ The Council has approved a number of high-level strategies, including for children's services, adult social care and housing. Whilst these have strategic aims and in some cases measures for success, there do not always have detailed action plans sitting beneath them. For some strategies Cabinet has agreed to receive annual reports updating on progress against the strategic aims. This approach to keeping strategies under review and publicly feeding back on progress against outcomes is one which could be replicated more widely. ▪ The Council has made progress on agreeing a medium-term financial strategy aligned to its corporate priorities. However as highlighted by the DLUHC commissioners, financial sustainability remains the biggest risk for the Council. Delivering defined outcomes on a sustainable basis within the resources available and managing service users' expectations will need to be a critical focus for senior officers and members in 2024/25. |

CORE PRINCIPLE D - Determining the interventions necessary to optimise the achievement of the intended outcomes

| Sub principles | Assessment of the effectiveness of key elements of the council's governance processes during 2023-24 |
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| <p>Determining interventions</p> <p>Planning interventions</p> <p>Optimising achievement of intended outcomes</p> | <ul style="list-style-type: none"> ▪ There is evidence of economic, environmental and social impact being considered at member level, however some of the assessments are superficial and there is a tendency to avoid completing assessments for equality impact or to justify why certain implications section are not required. Members are appropriately focused on resident impact and scrutiny members are conducting a task and finish group on resident engagement. It will be important to see resident engagement as a key enabler to identifying social and environmental impact of decision-making. The Council also needs to ensure it balances competing interests when determining the wider public interest and is not seen to give too much weight to short term dissatisfaction over longer term environmental impact. Examples of the Council managing this dynamic include in relation to its decision to move to fortnightly waste collection and its decision making over the A4 safer roads. |

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| | <ul style="list-style-type: none"> ▪ In general reports to elected members do have options appraisals within them, although the quality and depth of these vary. In relation to procurement decisions, it is important to ensure that any options appraisal is conducted on the wider commissioning approach and provides an opportunity to test how and whether the services should be commissioned and not just how they should be procured. There is evidence of phased commissioning strategies providing a comprehensive options approach, for example the re-commissioning of repairs, maintenance and investment services for housing stock and of a review of options in relation to commissioning of legal services. This utilised the services of an external contractor and contained a detailed options appraisal, including an assessment of whether and which services should be insourced. ▪ The Council has set an ambitious target to deliver savings from strategic commissioning. The savings target has not been met in 2023/24 and the Council will need to assure itself that there is a robust business plan and programme in place to deliver the saving in 2024/25. The Council has set up a strategic commissioning group, sponsored by the Executive Director for Finance and Commercial and led by the Director for Commissioning. Strategic commissioning should include opportunities for joint commissioning across geographic areas and across partners. ▪ The Council is working with three London Boroughs and wider Berkshire and London authorities on implementation of the new Procurement Act. This provides an opportunity to share best practice and resources and streamline processes to ensure a focus on value for money and transparency across the whole commissioning cycle. |
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CORE PRINCIPLE E - Determining the interventions necessary to optimise the achievement of the intended outcomes

| Sub principles | Assessment of the effectiveness of key elements of the council's governance processes during 2023-24 |
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| <p>Developing the entity's capacity</p> <p>Developing the entity's leadership</p> <p>Developing the capability of individuals within the entity</p> | <ul style="list-style-type: none"> ▪ The Council has put in place public reporting on its corporate performance indicators. This has enabled cabinet and scrutiny members to publicly review performance to identify areas of focus and concern. The Council needs to keep its performance indicators under review and ensure that it is benchmarking performance against national indicators and statistical neighbours. It also needs to ensure that performance is focused on outcomes and there is effective analysis of performance and that this is feeding into risk management and used as an assurance tool. ▪ The Council also needs a comprehensive Data Strategy to ensure that data is driving decision-making and the organisation has effective resources in place to collect, store and manage its data. ▪ The Council should be open to external challenge and has an opportunity to build in external reviews to provide further assurance on progress. This could include timetabling reviews from the LGA, CfGS and other local authorities. ▪ The Council should provide opportunities for its officers and members to be part of wider sector level improvement, including participating in LGA peer reviews. This provides an opportunity to review practice elsewhere and to share its own improvement journey with the wider local government sector. |

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| | <ul style="list-style-type: none"> ▪ The Council has many partnership arrangements, however mapping this has been complicated and identified that many arrangements overlap with a lack of clarity as to which partnership arrangement is leading on which aspect. There are on occasions evidence of siloed working within services seeing their role as limited to functions within that service, as opposed to a wider role in ensuring best value services across the Council and wider partnerships to deliver statutory functions. Best value needs to be embedded across the Council, ensuring that all officers see value for money and financial sustainability as a key part of their role. The Council must ensure it has objective evidence to support commissioning and spending decisions and this includes benchmarking evidence on the effective use of external grant. On some occasions there is evidence that external grant is not seen a Council money or subject to the same best value duty as any other financial decisions. ▪ As highlighted by DLUHC commissioners, the Council lacks a strategic workforce plan. Whilst it is important to have an overarching workforce strategy, managers within directorates also need to understand their role in formulating workforce plans to tackle recruitment challenges in individual professional disciplines. ▪ The Member Officer Relations Protocol has been reviewed and updated. This has clarified the distinct roles of individual members. ▪ The main opposition group has established shadow portfolio holders, utilising the skills of experienced members to hold the Council to account in key areas. ▪ The Council is reviewing its internal schemes of delegation following the senior leadership restructure. Executive directors are responsible for keeping these schemes under review and updated and ensuring that officers within their directorates are operating in accordance with them. ▪ The Leader and Chief Executive have regular meetings and there is clarity in terms of roles and responsibilities. A detailed appraisal setting process has been put in place for the Chief Executive, involving cross party input. ▪ Service planning is not consistent throughout the Council and this process needs to be used to identify risks, external and internal challenges and to identify service priorities and training and development and resource requirements required to deliver these priorities. |
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| CORE PRINCIPLE F Managing risks and performance through robust internal control and strong public financial management | |
| Sub principles | Assessment of the effectiveness of key elements of the council's governance processes during 2023-24 |
| Managing risk Managing performance | <ul style="list-style-type: none"> ▪ Whilst there is a risk management strategy, securing stable staffing in this area has been a challenge. This has resulted in a lack of internal governance for risk management and some evidence of reporting on corporate risk being at a superficial level. ▪ Whilst there are directorate risk registers, these are not always consistently completed. There is also a lack of clarity on reporting of risk arising from |

Robust internal control

Managing Data

Strong public financial management

external companies, with a lack of clarity on roles and responsibilities of the different entities.

- A performance report and complaints data is provided to the corporate leadership team and a high risk litigation report is provided to the Monitoring Officer, however **there is a lack of corporate reporting on other risk areas such as safeguarding, health and safety, internal audits, contracts waivers, and information governance breaches.** The Council also needs to improve its internal reporting on financial and budget management to ensure compliance with CIPFA's Financial Management Code. Utilising the LGA's improvement and assurance framework could provide a useful tool to map the assurance arrangements and put in place a more comprehensive management assurance system.
- The internal audit functions reverted to an in-house team, providing opportunities for a closer working relationship between the team and directorates. There has been **improvement in closing down historic audit actions, although this is from a low base** and there is still some way to go to demonstrate that this is being given priority.
- **Internal audit actions show significant areas of concern relating to lack of processes and cultural issues**, such as a failure to properly journal and account for cash and managers not checking or approving expense claims.
- The **lack of resources in the audit team** has resulted in difficult decisions being made on the internal audit plan. The team has identified external resources to conduct specialist IT audits and is continuing in its recruitment efforts. **The lack of an audit opinion for 2023/24** is also a significant area of concern which needs addressing in 2024/25.
- Performance reporting has significantly improved with a detailed quarterly performance update being presented to Cabinet and regular review of performance at CLT. The performance measures link to the corporate plan priorities and Executive Directors have kept these under review to ensure appropriateness.
- The CISC is using performance data to inform its work programme and asking for more detailed updates both in formal and informal meetings. Pre-briefing meetings with all committee members are working well to assist members to identify key lines of enquiry and maintain questioning at a strategic level and avoid seeking to delve into unnecessary detail.
- Lead members attend CISC to be held to account for performance, alongside officers.
- Audit and Corporate Governance Committee has received some assurance reports and it undertook a self assessment using the CIPFA toolkit to inform its Annual Report. The Report will be presented to Full Council and set out the findings of this self-assessment and this should be used to inform the forward work programme and training plan.
- There has been an improvement in the budget setting process with considerable CLT time devoted to reviewing and challenging proposals, lead members and directors attending budget challenge sessions with the lead member for finance and finance officers and CISC reviewing budget proposals at multiple meetings. However **such review can only be effective if the data being presented is accurate and this issue is as much cultural as systems.**
- Budget monitoring processes have improved, but there are **still issues with accuracy of reporting leading to some last minute pressures** on in-year budgets.

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| | <ul style="list-style-type: none"> Where strategies have been set without detailed action plans within them, Cabinet has agreed to receive annual update reports setting out how the aspirational strategic aims have been achieved. There has been some improvement in compliance with clearance deadlines and forward planning, however this is from a low base, and not yet consistent. |
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| CORE PRINCIPLE G Implementing good practices in transparency, reporting, and audit to deliver effective accountability | |
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| Sub principles | Assessment of the effectiveness of key elements of the council's governance processes during 2023-24 |
| <p>Implementing good practice in transparency</p> <p>Implementing good practices in reporting</p> <p>Assurance and effective accountability</p> | <ul style="list-style-type: none"> The governance learning programme for managers has emphasised importance of transparency when authoring member reports and making officer decisions, including explaining the legal test for exempt information. The rules on significant officer decision-making have been updated to ensure increased transparency. Some improvements made on level of detail in reports and language used, although some reports are still overly technical and not always outcomes focused. Lack of historic records has caused significant issues with some decisions, including decisions on disposal of assets and proper accounting for such assets. This emphasises the importance of good record keeping and taking matters to members at the right time and with the right level of information, including phasing decision-making for complex projects. The Council has subjected itself to external reviews, however the results of these are not always reported or responded to in public. Progress against the AGS 2022/23 reported quarterly in public and a greater officer involvement in the assessment for the 2023/24 AGS. Review and updating of the Code of Corporate Governance, following consultation at member, officer and partner level. Good working relationship with external auditors, including regular attendance and reporting to Audit and Corporate Governance Committee and meetings with Chair of Committee. The delay in signing off historic accounts is a particular issue and the learning from the 2018/19 accounts demonstrates that the issues are wider than those experienced at a national level. The Council must ensure it learns from the failures of its previous restructure, particularly in terms of stripping out specialist corporate resources as the impact of this is likely to be seen for some years to come. Training programme for Audit and Corporate Governance Committee members and appointment of 3 new independent co-opted members. Due to lack of capacity in internal audit team, limited opportunity to audit contractor and partnership arrangements. |

Key roles of those responsible for developing and maintaining the Governance Framework

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| The Council | <p>Approves Policy and Budget Framework</p> <p>Approves the Constitution</p> <p>Elects Leader and sets terms of reference for committees, including appointing chairs for committees.</p> |
| Cabinet | <p>Makes most policy and strategic level decisions.</p> <p>Each lead member has a portfolio responsibility, but no single decision making permitted except by the Leader under urgency provisions.</p> |
| Audit and Corporate Governance Committee | <p>Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</p> <p>Approves or recommends to Council annual statement of accounts and annual governance statement</p> |
| Standards Committee | <p>Promotes high standards of member conduct and ethical framework</p> |
| Overview and Scrutiny function | <p>In 2022/23 there was a main Overview and Scrutiny Committee and three panels without overall responsibility for reviewing the Council's policies and holding Cabinet members and officers to account for performance.</p> |
| Corporate Leadership Team | <p>Implement policy and budgetary framework set by the Council and policies and strategies set by Cabinet.</p> <p>Provide advice to Cabinet and other member forums on the development of future policy.</p> |
| Statutory governance officers | <p>Chief Executive – Head of Paid Service</p> <p>Executive Director Finance and Commercial – Chief Finance Officer / s.151 officer</p> <p>Monitoring Officer</p> <p>Have specific statutory responsibilities and duty to report issues relating to staffing structure, adequacy of financial arrangements and contraventions of law or maladministration.</p> |
| Internal Audit | <p>Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework.</p> <p>Delivers an effective programme of risk based audit activity, including counter fraud and investigation activity.</p> <p>Makes recommendations for improvements in the management of risk.</p> |
| External Audit | <p>Audit, review and report on the Council's financial statements, providing an opinion on the accounts and use of resources, concluding on value for money.</p> <p>Has the right to make statutory recommendations and issue a public interest report.</p> |
| Managers and staff | <p>Responsible for developing, maintaining and implementing the Council's governance, risk and control framework.</p> <p>Contribute to the effective corporate management and governance of the Council by use of professional skills and knowledge.</p> |

What are the key 2023/24 Governance matters identified

- **Democratic Governance – Lead Officer – Sukdave Ghuman**
 - The Corporate Governance group needs commitment from wider group of staff, including internal audit, risk management, finance, information governance, complaints, and digital and data lead.
 - Evidenced improvement in report clearance processes, with Executive Directors and DLTs taking responsibility for early engagement with legal and finance to improve quality and timeliness of reports and improve forward planning.
 - Better use of Lead Member and Directors' meetings to focus on strategic planning and transformational change.
 - Consideration of internal audit on officer decision-making being included in 2024/25 audit plan, to ensure compliance with significant officer decision making procedures and adequacy of internal schemes of delegation.
 - Corporate Improvement Scrutiny Committee:
 - public reporting of CfGS review, with action plan to respond to findings.
 - Steps taken with new corporate leadership team to ensure scrutiny seen as core function within Council.
 - Effective self-assessment used to inform annual report and future work programme.
 - Work with Group Leaders to ensure nomination and performance review is leading to effective committee membership.
 - Review of effectiveness of statutory scrutiny of health, crime and disorder and education functions.
 - Audit & Corporate Governance Committee:
 - self-assessment to be conducted and reported to committee and Full Council.
 - Detailed forward work programme and training plan to respond to findings from self-assessment.
 - Consider whether an external review of committee effectiveness is warranted in 2024/25.
 - Consider LGA tools to further support member development, including tools for opposition members.

- **HR Governance – Lead Officer – Will Tuckley**
 - Strategic workforce plan at corporate and directorate level, focused on skills and knowledge gaps, performance management, including appraisal processes and learning and development plans.
 - Publicly report to Employment Committee on the staff survey results (appropriately anonymised) with a detailed action plan responding to findings.

- The Officer Code of Conduct, once adopted by Full Council, must be included in a training programme and onboarding processes to ensure changes are embedded and inform any culture change programme.
- Review of agency worker processes to ensure that pre-employment checks are conducted and the reasons for waiver of any requirement is properly authorised and reasoned.
- Review systems and procedures for managing organisational change.

- **Financial governance and systems – Lead Officer – Annabel Scholes**
 - Demonstrable and collective compliance with CIPFA's Financial Management Code.
 - Workforce plan to response to recruitment gaps within finance directorate and ensure specialist capability within directorate.
 - Review of systems within Council for recording financial transactions, picking up from Grant Thornton's findings from previous audits and work of Ernst Young in reviewing balance sheet.
 - Ensure financial management and governance are included in onboarding and manager development programmes.
 - Costed programme for closing off historic statements of accounts, agreed with DLUHC commissioners and external auditors.
 - Review process for budget setting and medium-term financial strategy to increase opportunities for resident engagement and scrutiny involvement in reviewing financial savings and priorities in accordance with CfGS guidance on financial scrutiny.
 - Ensure effective systems in place for holding and managing finances for separate companies and partnerships.

- **Internal Control System – Lead Officer – Annabel Scholes**
 - Risk Management – update risk management strategy and framework to ensure compliance with HM Government Orange Book and implement training programme to embed risk management.
 - External review of corporate anti-fraud policies, procedures and practices by another local authority or sector body to review extent to which current practice is preventative based and proactively managing risks.
 - Management assurance process – conduct a review against the LGA's Improvement and Assurance framework to map current processes of assurance and put in place a more comprehensive management assurance process.
 - Internal Audit:
 - stabilise internal audit team,
 - ensure annual audit plan informed by risk,
 - ensure effective escalation procedures including reporting on key risks at member level,
 - Commission independent external quality assurance review in accordance with requirements of PSIAS to evaluate effectiveness of internal audit function.

- **SEND Services – Lead Officer – Sue Butcher**
 - Consider how to provide regular updates on improvement plans to the public. As a minimum there should be transparency in relation to any submissions to DfE updating on the WSOA and any feedback from DfE. This could be achieved by publishing elements of the internal governance board minutes.
 - Consider including scrutiny topic focused on SEND in 2024/25 scrutiny work programme.
 - Consider including SEND related topic covered in internal audit programme for 2024/25, picking up on LGSCO complaints upheld in 2023/24.

- **Company governance – Lead Officer – Sarah Wilson (SCF), Pat Hayes (other companies), Sukdave Ghuman (trusts)**
 - For SCF, closer working between Board, including NEDs, and CLT / Cabinet to ensure better coordination and increased understanding of distinct roles.
 - For SCF, updates on progress against governance review to be agenda'ed at quarterly strategic commissioning group meetings and any retrograde steps in progress to be reported to A&CG Committee.
 - For other Council companies, review and report to Asset Disposal Cabinet Committee on:
 - contractual and governance documentation,
 - decision-making,
 - risk and performance reporting arrangements, including financial performance, statutory compliance, including filings of annual reports and accounts and board director performance,
 - annual business plansfor each company.
 - For trusts where the Council is corporate trustee, review and action plan to ensure effective management and compliance with legal duties, including statutory filings with Charity Commission and management of conflicts of interest.

- **Partnership governance and effectiveness – Lead Officer – Tessa Lindfield/Marc Gadsby**
 - Ensure that each statutory partnership has clear terms of reference, approved strategies and appropriate action plans in place to meet strategic aims, represent best practice and meet its statutory requirements.
 - Ensure there is public reporting to members on effectiveness of partnerships.
 - Review approach to transparency for partnerships, with an expectation as a minimum that each partnership produces a public annual report and considers whether to publish reports and minutes for meetings.
 - Consider commissioning external reviews of statutory partnership on a rolling programme as an appropriate way to provide further assurance.

- **Information and ICT Governance – Lead Officer – Will Tuckley**
 - Adopt a Data Strategy, approved at a member level, and ensure that data is used appropriately, consistently and effectively and retained in accordance with legal requirements.
 - Ensure digital technology is embedded into future operating model.
 - Ensure appropriate governance structure to ensure ICT is embedded into transformation programme and service improvements and that there is an effective prioritisation process to ensure prioritisation on those projects with the biggest impact on staff, residents and to support financial recovery.
 - FOI - devise timescale for conducting self-assessment utilising ICO FOI toolkit and report findings to A&CG Committee.
[FOI self-assessment toolkit | ICO](#)
 - Review of use of any Artificial Intelligence software, ensuring appropriate policies and systems in place to manage legal and ethical considerations.
 - Conduct a review of information published against the Government's Transparency Code.

- **Asset disposal and use of physical resources – Lead Officer – Pat Hayes**
 - Approve an estates strategy for use of the Council's operational assets, ensuring this is aligned with the Council's new operating model and MTFS.
 - Increase public reporting on assets disposed of, including those where decisions made under officer delegation.
 - Review systems in place for record keeping, ensuring compliance with Government Transparency Code and safe retention of property records to inform future decision-making.

- **Resident engagement – Lead Officer – Will Tuckley**
 - Adopt Resident Engagement Strategy, setting out expectations on participation, resident experience and digital inclusion.
 - Build programme to rebuilt trust with communities, including transparent, public reporting to members on resident survey results with action plan on improving satisfaction levels.
 - Ensure prompt responses to recommendations by LGSCO, including any learning in annual report to Audit and Corporate Governance Committee.
 - Conduct self-assessment of complaints processes against LGSCO new Complaints Code and include findings in annual report to A&CG Committee in Autumn 2024.

Assurance Statement 2023-24

We have reviewed the Annual Governance Statement for 2023-24 and to the best of our knowledge, the governance arrangements, as defined above and within the Council’s Code of Corporate Governance, have been effectively operating during the year with the exception of those areas identified above. The Council still has significant improvements to make to its governance arrangements and its historic record keeping and lack of corporate memory in some directorates mean that there may need to be further updates to this statement as the process of approving historic statements of accounts progress. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

| Position | Signed | Date |
|--------------------------------------|---------------|-------------|
| Leader | | |
| Chief Executive | | |
| Monitoring Officer | | |
| Executive Director of Finance | | |