

Slough Borough Council

Report To:	Cabinet
Date:	18 th November 2024
Subject:	Progress Update Improvement and Recovery Plan
Lead Member:	Cllr Dexter Smith – Leader of the Council
Chief Officer:	Sonia Khan, Director of Strategy, Change and Resident Engagement
Contact Officer:	Stephanie Clark, Recovery Programme Manager
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Appendix A - Improvement and Recovery Plan Progress Update

1. Summary and Recommendations

1.1 This report provides an update on progress being made by the Council against the Secretary of State Directions issued in December 2021 and updated in September 2022, and the overall council recovery plan and actions being taken to become a best value council. The last full update was taken to Cabinet in October 2023. The recovery programme was refreshed in response to the Commissioners' fourth letter published in February 2024. This refresh was published in July 2024, with a quarterly progress report.

1.2 On 22nd October 2024, the Council was advised that the Secretary of State was minded to issue new Directions to extend the intervention until November 2026, with an opportunity for the Council to respond in writing.

1.3 This report summarises progress made since September 2023 and identifies, at a high level, the next steps which will be needed to continue to improve over the next two years. A full and detailed action plan covering actions required over the next two years will be provided at a future Cabinet meeting.

Recommendations:

Cabinet is recommended to:

- (a) Agree the update that is provided in Appendix A

- (b) Note that a full action plan is now being developed in line with the most recent directions and proposed extension of the intervention. This will be brought to a future Cabinet Meeting before the end of the municipal year.

Reason for recommendation

The last update was provided in October 2023. It is appropriate to publish details of progress since then.

Commissioner Review

Commissioners have reviewed this report and have no specific comments to add.

2. Report

Introductory paragraph

This report provides an update on progress being made by the Council against the Secretary of State Directions issued in December 2021 and updated in September 2022, and the overall council recovery plan and actions being taken to become a best value council so that the Council can be financially sustainable and delivery its corporate plan.

Options considered

Publish a full detailed report that provides updates against Best Value and progress against the Directions- **recommended**

Continue to provide quarterly updates as part of performance reporting and not a full summary of progress – **not recommended**

Not publish report – **not recommended** because the Council needs to provide a published report in order to build the confidence of residents, central government, commissioners and stakeholders.

Background

2.1 In June 2021 the Communities Secretary announced an external assurance review of Slough Borough Council's financial position and the strength of its wider governance arrangements, following its request for exceptional financial support. The two reviews found that the council had failed to comply with its best value duty of continuous improvement and that it was unable to become financially self-sustaining without considerable Government support.

2.2 The Council was subsequently placed under intervention by the Secretary of State for Levelling Up, Housing and Communities in December 2021, and Commissioners were appointed to oversee the council's recovery and improvement, alongside a set of Directions under the Local Government Act 1999. The Council's children social care services and Special Educational Needs and Disabilities service are also under intervention of the Department for Education and have an appointed DfE Commissioner.

2.3 Delivering Best Value is a core theme within those aspects of the Council's recovery. In response to the Directions, the council published its recovery and improvement plan – 'Doing Right by Slough' in May 2022.

2.4 The last full update was taken to Cabinet in October 2023. The recovery programme was refreshed in response to the Commissioners' fourth letter published in February 2024. This refresh was published in July 2024, with a quarterly progress report. Progress is reported under three "pillars"- Financial Improvement, Transformation and Childrens Improvement.

2.5 The Council is now establishing a more comprehensive programme office and transformation function that drives continuous improvement, keeping both corporate and improvement plans under review, under one permanent Head of Service for Change and Programmes (currently vacant). The functions will support all the associated programmes of change, transformation and re-organisation that will ultimately enable the Council to achieve sustained financial stability and improved public services and to adopt a new operating model

2.6 On 22nd October 2024, the Council was advised that the Secretary of State was minded to issue new Directions to extend the intervention until 30th November 2026, with an opportunity for the Council to respond in writing. This was accompanied by the Commissioners' fifth report, dated 30th April 2024 and update letter, dated 9th September 2024. At the time of writing this report, the Council had not formally responded to this letter, but had widely communicated via formal channels and with quotes from Leader and Chief Executive that the extension of the intervention is welcomed.

2.7 This report summarises progress made since September 2023 and identifies, at a high level, the next steps which will be needed to continue to improve over the next two years. So that the assessment is focused on becoming a best value council, the report is now fully aligned to the best value framework. This assessment identifies the next steps needed, and this will be developed further into a full and detailed action plan covering actions required over the next two years will be provided at a future Cabinet meeting.

Alongside this Progress Update, a report setting out the Direction of Travel for the Target Operating Model is also being submitted to Cabinet in November 2024.

2.8 The full update is provided as Appendix A. This sets out progress made under the Best Value Duty of Continuous Improvement. The report also sets out progress made towards the Directions set by Best Value Commissioners from MHCLG.

2.9 The report describes the complex process that the Council is going through to put the foundational work required to be a Best Value Council which involves building its data, systems and capacity to deliver the basics well, improve, recover, and transform. This detailed is set against the extremely difficult financial position that Slough is in that means investing in the basics and the scale of improvement needed is challenging. Alongside this, the Council will also need to transform, as all Councils are having to do, to meet resident needs and improve the borough, to meet rising demand and extremely challenging resourcing constraints.

2.10 The report does identify progress made, that the Council is now looking to build on:

- Performance Management framework now in place with quarterly reporting – but the need now to ensure that the data feeding into this and the corrective actions are credible Development of the systems and processes that underpin good governance- that enables the Council to focus more on developing the Member Officer Culture needed and the grip over executive decision making
- Development of the foundations of HR policy and practice including appraisals, from which to build a workforce strategy

- Early signs of improved retention in staff with more stability at the most senior levels
- A committed leadership, politically and corporately and early indications of an openness to staff feedback, creating more confidence that there can be a stronger focus on culture change
- Financial improvement programme that is making steady progress, but uncovering more challenges and issues that are impacting on the budget picture now and historically
- Good pockets of community engagement that need to be developed more systematically

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1. This is a progress update and as such there are no direct financial implications, but the report references the Transformation Fund that has been created from reserves.
- 3.1.2. Resources were identified to support this work. £6.7m has been identified in total, to support transformation. £4.7m has already been approved in budgets and a further £2m is earmarked for 2025/26. This funding is from the budget smoothing reserve. Interim capacity was brought in to provide programme support in April 2024.
- 3.1.3. It is important to stress that this investment is from reserves, which are under pressure. There is no additional investment being made by central government as a result of being under intervention.

3.2 Legal implications

- 3.1.4. 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.
- 3.1.5. Annex A of the directions set out the action the Council is required to take. Annex B 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.

- 3.1.6. 3.2.3 In the MHCLG letter of 22 October 2022 to the Council, MHCLG confirmed that the Secretary of State was minded to issue new Directions. These include a list of actions for the Council to take including preparing, agreeing and implementing an improvement and recovery plan with prescribed matters to be included in this. It is anticipated that MHCLG will make a decision on any future Directions in November, following a short representation period.

3.3 *Risk management implications*

- 3.1.7. The following is a risk on the corporate risk register: Risk 13 - Improvement and Recovery Planning Failure to deliver on the wide range of improvement and recovery actions specified in the Directions and various Government reports leads to further intervention.

- 3.1.8. Undertaking a review of progress against Best Value and the Directions is an essential part of assessing if the wide range of improvement and recovery actions are supporting the Council to become a Best Value Council.

3.4 *Environmental implications*

- 3.4.1 There are no direct Environmental implications from this report.

3.5 *Equality implications*

Earlier in 2024, the Council adopted new Equality Objectives, following consultation. These objectives cover both community facing and workforce diversity. They set out the long-term goals that will enable the Council to meet the Public Sector Equality Duty and community needs. They consider how the Council needs to proactively promote equality and tackle inequality, tackle discrimination and foster good relations. Becoming a Best Value Council is a key part of being able to deliver the Council's Equality Objectives, as foundational work is needed to be able to sustain work that progresses Equality Objectives.

In September 2024, the Council participated in an LGA Peer Review looking at Equality. The Peer Review highlighted the importance of centring equality considerations in the Improvement and Recovery Plan. This will be taken on board as part of the refresh of the Equality Action Plan.

4. **Background Papers**

None