

## Slough Borough Council

<b>Report To:</b>	Audit and Corporate Governance Committee
<b>Date:</b>	12 November 2025
<b>Subject:</b>	Annual Governance Statement 2024/25 – Quarter 2 Update
<b>Chief Officer:</b>	Will Tuckley – Chief Executive
<b>Contact Officer:</b>	Sarah Wilson – Assistant Director – Legal and Governance
<b>Ward(s):</b>	All
<b>Exempt:</b>	No
<b>Appendices:</b>	Appendix 1 – Quarter 2 update against AGS 2024/25 Action Plan

### 1. Summary and Recommendations

1.1 This report presents the Quarter 2 update against the actions set out in the Annual Governance Statement 2024/25 (AGS).

#### Recommendation:

Committee is recommended to:

- (a) Review, comment and note progress against actions in the AGS 2024/25 Action Plan.

#### Reason:

Good corporate governance is an essential in any organisation, but in particular in public sector bodies. Significant governance failings attract huge attention and inevitably lead to expense being required to correct the failings. Local authorities are complex organisations and vitally important to taxpayers and service users. It is necessary to have in place effective systems, people and culture to meet the highest standards and ensure that governance is sound and seen to be sound.

#### Commissioner Review

This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

### 2. Report

#### Introductory paragraph

2.1 Slough Borough Council is responsible for ensuring that its operations are conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To achieve this the Council should ensure its governance framework supports a culture of transparent decision making.

## Options considered

1. **Present an update to Committee throughout the year.** This is the **recommended option**. The Council has received updates on progress against actions throughout the year for the two previous years and it provides the Committee with detail of the level of assurance they can take on progress, as well as information which can be used to inform other assurance reporting.
2. **Do not report progress in public to Committee.** This is **not recommended** as it deprives the committee of receiving updates throughout the year and publicly debating whether it needs to utilise its powers to make recommendations to other member bodies or invite specific officers or elected members to attend and address any concerns.

## Background

2.2 The AGS 2024/25 Action Plan contains 50 actions under 12 governance themes. The Action Plan has been updated to reflect the updated external auditor recommendations.

2.3 The AGS should be used as a key improvement tool, ensuring that issues are captured, lessons learned are properly disseminated and will assist the Council to improve its corporate governance.

2.4 Appendix 1 contains a progress update against actions. The RAG rating is based on the level of risk that the action will not be fully completed during the financial year. It is not uncommon for the RAG ratings to contain more red and amber ratings earlier in the year. There is also a significant risk that some of the actions require work to take place over multiple years and therefore even if good progress is made during the financial year, it may not be sufficient to remove the action from a future AGS. The RAG ratings are summarised below:

Date	Red	Amber	Green	Complete	Unknown / Additional
Quarter 1 update - September 2025	21	22	6		2
Quarter 2 update – November 2025	12	21	16	1	

2.5 The actions that have made the most progress are:

- Compliance with CIPFA FM Code – the self assessment was presented to Committee and an audit has been completed. There is more work to do on specific aspects, which are covered by individual actions, however there is a clear action plan and good progress.
- Member development – a programme has been launched and sessions delivered. There is a bespoke training programme for Audit and Corporate Governance Committee and members across the political groups engage well with briefings and other meetings.
- The Standards Committee has now held its first meeting with a good debate on member complaints, including discussion on delay and processes and procedures.

- Embedding a culture of continuous improvement – there is good evidence the Council has become more outwardly focused and is welcoming of external challenge. It is more transparent in its reporting and cooperates with regulators.
- Increased transparency on asset disposal programme, including flagging issues that are hindering progress, such as impairment and market conditions.
- Improved transparency on effective management of Slough Children First, with external evidence of value for money and quality.
- Improvements in internal audit function, with a robust reporting cycle in place, including key directorates reporting on progress with internal audit actions.
- Commissioning of an external audit of risk of fraud in housing directorate, albeit this now needs to translate into an action plan to respond to findings.
- Increased stability in the top three tiers, with the new management and leadership development programme becoming embedded.
- A review against the Government's Transparency Code and an action plan to respond to this.
- Improved reporting on subject access requests and FOI compliance.
- Completion of a review of websites for accessibility, with the Council places 28<sup>th</sup> highest of UK Local Authorities.
- Improvements in setting a strategy for resident engagement and building trust with communities.
- Improvements in compliance for key statutory partnerships, with statutory policies being approved by Full Council where required and the Health and Wellbeing Board having a clear plan for updating its strategy, including engagement activity.

## 2.6 The actions that are at most risk are:

- Reviewing the budget setting process and medium-term financial strategy to increase scrutiny and resident engagement activities.
- Review of the reserves position and treasury management arrangements. There is still considerable work to be done to address risks in the General Fund and DSG and a need to reduce net General Fund expenditure further.
- Scrutiny effectiveness is flagged as at risk, with the Lead Commissioner highlighting concerns at Full Council and no plans in place to conduct an external review. This is an area of focus for the new Head of Service.
- There remains no system in place for approval of the policy framework policies or other statutory plans.
- Business case development is an area of challenge, with a lack of focus on good quality business cases to inform decisions.
- Despite progress in the asset disposal programme, there is less progress on publicly reporting on stock condition of assets to provide assurance that valuations, records and plans are adequate.
- Approval of a strategic asset strategy has been delays whilst the Council considers its plans on a new operating model.
- Despite approving a new company protocol, there are still challenges in relation to company governance and a lack of reporting on issues. A new shareholder panel is in place to provide internal governance for this.
- Despite regular reports on counter fraud activity, there is less progress on reviewing procedures, policies and practices to ensure that Council has a preventative based and proactive approach to managing risk of fraud.
- More work is required on developing a permission culture, whereby decisions are delegated down with effective systems in place. This is partly due to expenditure controls being in place to mitigate against the in-year budget gap.

- The Council has yet to adopt a procurement strategy and this has resulted in a new recommendation from the external auditor.
- There is a lack of reporting on assurance relating to effective contract management, in response to an internal audit raising concerns.

### **3. Implications of the Recommendation**

#### *3.1 Financial implications*

3.1.1 There are no direct financial implications resulting from this report. However, a failure to respond to actions in the AGS is likely to result in a failure of financial governance and a risk that the Council makes decisions that are not in its financial interests.

#### *3.2 Legal implications*

3.2.1 There is a legal requirement to prepare an AGS and for this to be incorporated in the Council's financial statements.

3.2.2 The Council has a best value duty under the Local Government Act 1999 and this includes making arrangements to secure continuous improvement in the way in which its functions are exercised. The draft best value guidance states that authorities should be transparent in their AGS about how they are delivering improvements over time against any recommendations, including those made by external parties. A characteristic of a well-functioning authority is one whose AGS is prepared in accordance with the CIPFA / SOLACE Good Governance Framework, is the culmination of a meaningful review designed to stress test both the governance framework and the health of the control environment.

#### *3.3 Risk management implications*

3.3.1 The AGS is a statutory document. Failure to respond to the action plan could increase the risk of financial exposure as a result of poor decision-making and lack of action to make improvements. The quarterly review allows members to question officers on progress and to consider whether focus and resource should be allocated differently. The Committee is permitted to report to other member bodies if it is concerned about lack of progress.

3.3.2 Several of the matters highlighted in the action plan also appear on the Council's corporate risk register. Members should review this document to establish whether appropriate mitigations are in place.

#### *3.4 Environmental implications*

3.4.1 There are no environmental implications as a result of this report.

#### *3.5 Equality implications*

3.5.1 Improvement in the control environment will ensure that decisions are informed by evidence. This should include information on impact on residents and service users with protected characteristics. One of the actions relates to resident engagement and progress includes engagement on equality objectives and updates on engagement activities and strategies with key groups, including older persons, carers, people with learning disabilities, children and young people and housing tenants.

#### **4. Background Papers**

None