

## Slough Borough Council

<b>Report To:</b>	<b>Cabinet</b>
<b>Date:</b>	20 <sup>th</sup> January 2025
<b>Subject:</b>	Improvement and Recovery Action Plan 2024 – 2026
<b>Lead Member:</b>	Cllr Dexter Smith – Leader of the Council
<b>Chief Officer:</b>	Sonia Khan, Director of Strategy, Change and Resident Engagement
<b>Contact Officer:</b>	Roland John, Recovery PMO Officer
<b>Ward(s):</b>	All
<b>Key Decision:</b>	YES
<b>Exempt:</b>	NO
<b>Decision Subject to Call In:</b>	YES
<b>Appendices:</b>	Appendix 1 - Cabinet - Improvement and Recovery Action Plan

### 1. Summary and Recommendations

1.1 This report presents an updated action plan showing how the Council will take action to become a Best Value Council by November 2026.

1.2 Slough Borough Council was 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.

1.3 Since then the Council has been under Directions issued in December 2021 and updated in September 2022. On 22<sup>nd</sup> October 2024, the Council was advised that the Secretary of State was minded issuing new Directions to extend the intervention until November 2026 and a further set of Directions were proposed. The extension of the intervention and new directions were confirmed on 20<sup>th</sup> November 2024.

1.4 The Action Plan presented in this report sets out how the Council will take action to become a Best Value Council and respond to these specific directions, focusing on the next 6 months. This is in line with the most recent directions detailed in this report: "there must be a focus on deliverable milestones within six months." A full Improvement and Recovery Action Plan setting out two year success measures and milestones will be brought back to Cabinet by April 2025. This Action Plan and the full two year plan will build on the refresh of the recovery programme in response to the Commissioners' fourth letter

published in February 2024. This refresh was published in July 2024. The Financial Improvement Plan is a key part of the improvement and recovery action plan.

1.5 A number of external, internal and peer reviews and audits have been undertaken since the Council has been under intervention. This Action Plan seeks to make sense of all of these improvements identified in one place, whilst not substituting for reporting and accountability which is separate.

### **Recommendations:**

Cabinet is recommended to:

- (a) Agree the action plan that is provided in Appendix 1
- (b) Note that a full two year action plan will be brought back to Cabinet by April 2025

### **Reason for recommendation**

It is necessary to have an action plan that sets out actions required, incrementally, to become a Best Value Council and to meet the directions.

Having an improvement and recovery plan is also a direction, and the specifics of what is required to be included in this plan have been detailed in the most recent letter from MHCLG to the Chief Executive, dated 20<sup>th</sup> November 2024

[Slough Borough Council: Letter to the Managing Director Commissioner \(20 November 2024\) - GOV.UK](#)

### **Commissioner Review**

*“Commissioners note the recovery plan work to date and look forward to seeing the full 2 year recovery plan in April of this year.”*

## **2. Report**

### **Introductory paragraph**

This report presents at Appendix 1 an Improvement and Recovery Action Plan showing the action that will be prioritised in the next 6 months towards the Council becoming a Best Value Council by November 2026.

This Action Plan responds to the Secretary of State Directions issued in December 2021 and updated in September 2022 and the most recent Directions received on 20<sup>th</sup> November 2024.

### **Options considered**

#### **1. Publish a comprehensive two-year action plan that:**

- Responds to what is required to be included in an Improvement and Recovery Action Plan, as set out in the November 2024 Directions
- Responds to the unmet Directions from 2021 and 2022
- Sets out wider actions to become a Best Value Council
- Makes sense of other review and audit recommendations

The action plan presented in this report sets out the immediate 6 month milestones and a full two year plan will follow by April 2025.

**Recommended** – as this will ensure we can take a co-ordinated approach to actions required to improve and recovery that proactively addresses what is needed to become a Best Value Council rather than reactively responding to different drivers for change.

**2. Publish a two-year action plan that sets out the minimal requirements in the November 2024 Direction**

Not recommended - as it is important meaningfully to take ownership of all improvements needed and not be reactive

**3. Continue to use the Recovery Plan proposed to July 2024 Cabinet**

Not recommended - as it is important meaningfully to take ownership of all improvements needed and not be reactive and because this would not take account of the November Directions.

**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 November 2024. This followed a refresh of the recovery programme 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 Children's 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 22<sup>nd</sup> October 2024, the Council was advised that the Secretary of State was minded issuing new Directions to extend the intervention until 30<sup>th</sup> November 2026, with an opportunity for the Council to respond in writing. This was accompanied by the Commissioners' fifth report, dated 30<sup>th</sup> April 2024 and update letter, dated 9<sup>th</sup> September

2024. The Leader formally responded to confirm that the extension of the intervention is welcomed.

2.7 The Action Plan presents the complex process that the Council needs to go 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. The Action Plan presented in this report sets out how the Council will take action to become a Best Value Council and respond to these specific directions, focusing on the next 6 months. This is in line with the most recent directions detailed in this report: “there must be a focus on deliverable milestones within six months.” A full Improvement and Recovery Action Plan setting out two year success measures and milestones will be brought back to Cabinet by April 2025. Both this and the two year plan will build on the detailed Improvement and Recovery Progress Update submitted to Cabinet on 18<sup>th</sup> November 2024.

2.8 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. This is the focus of the Operating Model. The Direction for Travel was also submitted to Cabinet on 18<sup>th</sup> November 2024. A route map for the Operating Model will be taken to Cabinet in March 2025. The Improvement and Recovery Action Plan and Operating Model need to be considered together, along with Medium Term Financial Strategy and Corporate Plan.

2.9 The November Direction sets out that the Council is required to:

- Prepare, agree and implement an Improvement and Recovery Plan to the satisfaction of the Commissioners, with resource allocated accordingly.
- This may include or draw upon improvement or action plans prepared before the date of these Directions.
- The plan is to set out measures to be undertaken, together with milestones and delivery targets against which to measure performance, in order to deliver rapid and sustainable improvements in governance, finance and commercial functions, thereby securing compliance with the best value duty. There must be a focus on deliverable milestones within six months and the Plan should include at a minimum:
  - a) A new Target Operating Model (TOM) that enables both financial stability and the delivery of core services and priorities.
  - b) A refreshed rolling Medium-Term Financial Strategy, Capital Strategy, and Treasury Management Strategy, aligned with the new TOM and transformation plan and demonstrating the Authority’s financial sustainability and resilience, over the period of the strategies.
  - c) A review of the Authority against the CIPFA Financial Management Code to demonstrate its compliance, with recommendations to Commissioners to improve this activity within the first six months and implementation of improvements thereafter.
  - d) A high-performance culture programme to rebuild trust between staff and the Authority, to include the development of a comprehensive workforce strategy focused on development, retention, and permanent recruitment.

- e) A review of the Authority's progress to risk maturity and how well its functions and processes enable risk-aware decisions that support the achievement of strategic objectives.
- f) Re-examining the review by the Authority of their companies that considered the roles and case for continuing with each subsidiary company of the Authority (except Slough Children First), to make proposals in relation to financial viability and improving company governance.
- g) Improving the systems and processes to enable better and evidence-based decision making, including enhancing the data and insight functions, undertaking benchmarking.
- h) An appropriately resourced digital strategy that supports effective business operations and links to the Authority's future operating model.
- i) Improving resident and public engagement.

2.10 The Action Plan is set out against the Best Value Framework:

- Continuous improvement
- Leadership
- Governance
- Culture
- Use of resources
- Service delivery
- Partnerships and community engagement

2.11 The objectives that are in the action plan are set out below. These high-level actions will now be used to reset or establish workstreams, project implementation documents and project plans, and then to reset the performance management framework and heat maps and governance used.

#### Evidence based decision making

- Embedding a corporate and service performance framework
- Corporate Delivery Plan and service planning for the 2025/26 financial year
- Develop shared evidence base to support decision making

#### Culture and Workforce

- Embedding professional development, performance management and appraisals as integral to continuous improvement
- Develop an inclusive high performance leadership culture that invites continuous feedback, learning, and improvement to be embedded within our new ways of working and help build trust with resident
- Development of leadership – officers
- Develop and implement a workforce strategy (People Strategy)

#### Partnerships, Communication and Engagement

- Resident engagement insights used to inform decision making
- Review complaint handling across Council
- Bring partners together to work on long term outcomes and place shaping.
- Engagement and collaboration with communities to identify and understand local needs and assets

#### Scrutiny and Governance

- Ensure the Council's Annual Governance Statement is an honest review of its governance and control framework and environment
- Developing a scrutiny function that is challenging and robust.
- A culture of cooperation, respect and trust between members and officers, and between departments exists, along with a commitment to transparent decision-making.
- Developing fit for purpose governance-systems and processes

#### Risk maturity

- A well-resourced, independent internal audit function that is planning and delivering audits that provide risk-based assurance, insights and value in accordance with the Public Sector Internal Audit Standards.
- Review of the Authority's Corporate Risk Dashboard to make it fit for purpose.

#### Strategic commissioning

- To standardise commissioning practice through the adoption of 'How to do Commissioning – A Practical Guide' and to make savings

#### Use of resources

- Modernising Digital, Data and Technology
- Refresh finance improvement action plan
- Implement a robust system of financial controls and reporting
- Compliance with the Prudential Framework,
- Review key finance strategies and policies (Investment Strategy, Capital Strategy and Minimum Revenue Provision (MRP) policy)

- Undertake a review of the governance arrangements of all Council-owned companies (excluding SCF) to assure compliance, and secretarial functions are being delivered appropriately.

#### Overarching

- Put in place by end of Q3 24/25 a refreshed, resourced and well-planned overall improvement and recovery programme.
- Develop a plan that demonstrates how equality objectives are being proactively progressed.
- Improve data quality
- Develop a target operating model fully aligned to medium term financial plan to be implemented in phases during 2025/26

#### Appendix 1 has four sections:

- The priority actions and milestones for the next six months in the form of a Gantt chart.
- The action plan objectives mapped to the criteria that is set by central government relating to becoming a Best Value Council and also all the Directions received by the Council whilst under intervention.
- All relevant improvement actions identified by reviews and audits are also set out to ensure a coherent set of actions are progressed.
- A set of performance measures of success that identify the improvements the Council will focus on – these will be developed further as the full two year plan is developed. The measures will be integrated into the corporate performance framework for 2025/26. This framework is reported on to Cabinet every quarter.

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

#### *3.1 Financial implications*

- The recommendation of the report is to implement the Action Plan that has a series of objectives that maps the progress of the Council's improvement. Whilst there is no specific relationship between the objectives and financial implications, to achieve them will require the alignment of the council's financial resources to its objectives. This will be achieved by ensuring that the Council's Medium Term Financial Strategy is aligned to the Corporate plan.
- £6.7m has already 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.
- In monitoring its progress the Council will need to have regard to the level of financial investment required to support the programme. There is no additional investment being made by central government as a result of being under intervention.

## 3.2 *Legal implications*

3.2.1 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 and on 20 November 2024. The directions are 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.

3.2.2 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 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, functions relating to the appointment of persons to senior roles in council companies (except Slough Children First), functions associated with the Council’s operating model and redesign of services to achieve value for money and financial sustainability and functions relating to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions.

## 3.3 *Risk management implications*

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.

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 is reflected in the focus on evidence based decision making and community engagement.

4. **Background Papers**

None