

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	30 April 2025
Subject:	Update on Annual Governance Statement 2023/24
Chief Officer:	Will Tuckley – Chief Executive
Contact Officer:	Sarah Wilson – Assistant Director – Legal and Governance
Ward(s):	All
Exempt:	No
Appendices:	Appendix 1 – AGS 2023/24 End of year progress report – April 2025

1. Summary and Recommendations

- 1.1 This report provides an end of year summary on progress against the Action Plan in the Annual Governance Statement 2023/24 (AGS).

Recommendations:

Committee is recommended to:

- (a) Review and comment on the end of year progress.
- (b) Note the progress made against the external auditor's recommendations.
- (c) Note the actions that are likely to feature 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. **Regularly report in public to committee on progress against the action plan in the AGS** – this is the **recommended option**. This end of year update includes progress against recommendations from the external auditors and links to the updated direction from the Secretary of State for Housing, Communities and Local Government.
2. **Not report publicly on progress** – Whilst there is no requirement to publicly report to committee on progress, the link between the Council's governance failures and its failure to meet its best value duty, means committee should focus on the extent to which progress is being made and reasons for lack of progress. Transparency is also a key aspect of good governance. This is **not recommended**.

Background

Update on progress against the AGS 2023/24

2.2 The AGS 2023/24 was prepared in accordance with proper practices and the Council has followed the CIPFA/SOLACE Delivering Good Governance framework. The AGS 2023/24 contained a detailed assessment and key 2023/24 governance matters to be addressed in the following year. 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.

2.3 The Council's external auditors use the Council's AGS as a key tool when completing their value for money assessment. The external auditor reported in October 2024 of a lack of progress in relation to compliance with previous recommendations and that the Council needs to have a better system in place to track recommendations from external bodies.

2.4 Appendix 1 sets out the end of year progress on the AGS actions. This reporting incorporates a RAG rating of completed (blue), substantially completed (purple) and area of focus (orange). Completion and substantial completion does not mean there are no further improvements required and in any event the Council should be seeking to continuously improve its services and governance. However, the Council needs to have a strict prioritisation approach and this requires it to flag the areas of governance that need a specific focus to reduce risks and to seek opportunities to improve in order to meet the Council's strategic priorities.

2.5 The end of year report is aligned to the external auditor's recommendations and the MHCLG direction. This report provides a source of assurance in relation to the Council's ability to self-assess itself and to make progress against historic and current external recommendations and directions. Improvements in governance is a key focus of the Council's improvement plans and senior officers are continuing to focus on this, with reports being provided to the monthly Assurance CLT meetings.

2.6 Improvements in progress have been seen in the following areas:

- **Corporate governance workstream** – the political leadership and governance workstream is part of the Council's wider improvement and recovery plan, updates on which were reported to Cabinet and Council in March and April 2025. In addition, officers have agreed to present regular updates on the governance

programme to this committee bearing in mind its remit and focus on corporate governance. An update is given elsewhere on the agenda.

- **Better use of lead members and directors' meetings** – whilst these meetings should not be used or seen as decision-making, they provide a key forum for the political administration and senior officer leadership to discuss key risks and strategic plans. There are other internal boards with member attendance which are allowing for elected members to influence and participate in discussion and direction of travel on strategic planning and transformational change. These include internal boards covering service and financial improvements, with representatives from all political groups. These meetings are in addition to, and not a substitute for, seeking formal decisions and review from members in formal meetings.
- **Internal audit on officer decision-making** – whilst an audit was not conducted this year, it is included early in the draft 2025/26 plan. The directorate assurance statement seeks assurance on this to inform the 2024/25 AGS assessment. Officer governance training and development is a key focus for the governance programme in 2025/26.
- **Corporate Improvement Scrutiny Committee** – improvements have been made in relation to statutory scrutiny of crime and disorder in particular. The Chair of CISC is invited to the internal, commissioner led Best Value Board to ensure alignment between its work programme and the improvement and recovery work.
- **Audit and Corporate Governance Committee** – this committee is in the process of conducting its self-assessment for the second year, improving on the process used last year. This will be incorporated into its annual report, which will be reported to Full Council. Recent meetings have demonstrated the committee members are able to operate on a cross-party basis and external support has been provided as appropriate, including the Chair utilising an LGA mentor.
- **Use of LGA tools to support member development** – the Council has made use of the LGA for support to members since 2021, however the responsibility for leading this has changed over time. The member development programme and officer governance training will remain a feature of the political leadership and governance programme to embed this into the business as usual processes that should exist in every local authority.
- **Strategic workforce planning and reporting on staff survey results** – the workforce strategy was presented to Employment Committee in April 2025 and incorporated the results from the People Poll and recommendations from the LGA Equality Peer Review.
- **Embedding the Officer Code of Conduct into training and development** – the governance aspect of the induction programme is in the process of being reviewed, but in the meantime, all tier 1-3 officers receive an additional induction day to support them with understanding governance, amongst other matters.
- **Agency procedures** – processes and procedures have been tightened up, including to respond to the risk of agency workers working for multiple employers at the same time.
- **Managing organisational change** – HR business partners support directorates with managing change and a design authority is in place for cross directorate discussion on any planned changes. Key HR policies are in the process of being reviewed, although the organisational change policy has not yet been reviewed.
- **Costed programme for closing off historic accounts** – multiple sets of accounts have been closed this financial year. Experienced officers are leading the process, although the complexity of closing off accounts with poor historic record keeping and high turnover cannot be under-estimated. Whilst the action is marked as substantially complete, the accounts have not been fully audited and therefore the risks associated with this need to be understood by the committee, particularly as

we conclude both the 2023/24 and 2024/25 accounts. The committee may wish to focus on ensuring that systems are now in place that will not lead to the same issues arising.

- **Risk management** – the risk management board is now meeting regularly, with improved reporting cycles to CLT and to this committee. The strategy still needs to be reviewed, but the systems and specialist support are a significant improvement on the previous arrangements.
- **Management assurance process** – a management assurance tool has been provided to directorates to inform an assessment. This will be used to inform the AGS assessment and a training programme for officers. CLT has an assurance meeting once a month and reporting includes data referred to in the LGA Improvement and Assurance Framework, although there are some gaps and the performance measures are in the process of being reviewed.
- **Regular updates on SEND, effective scrutiny and audit of SEND** – quarterly update reports to Cabinet continue in relation to SEND. This allows members to publicly review and comment on improvement. There is still work to be done on medium term planning to secure sufficient and suitable places. The scrutiny work programme has included work on children and young people not in education, employment and training. Internal audit has completed a sprint audit, with a management response awaited.
- **SCF company governance** – the actions to ensure closer working between the SCF board and CLT and report on progress against governance review have been achieved.
- **Embed digital technology into future operating model and service improvements** – the report to Cabinet confirmed the approach to the operating model will follow strategic digital principles. There is robust programme management around delivery of ICT projects and prioritisation decisions are discussed and agreed at the Design Authority meetings, with escalation if necessary.
- **FOI compliance** – project management has been identified to support a review of FOI work and a detailed project plan for the wider review of complaints is being developed for implementation in early 2025/26.
- **Use of AI** – a policy for use of AI is in preparation and targeted for completion in Q1 of 2025/26. This will need to be kept under active review as national guidance from the Information Commissioner and other national bodies is updated.
- **Increased reporting on asset disposal** – decisions are being published, including those made at officer level. There is an opportunity to provide regular updates to the Cabinet Committee on progress on the programme as a whole, including values achieved on individual assets once these have been disposed of to further increase transparency. An internal audit planned for 2025/26 will test systems and reporting in place on officer decision-making.
- **Review of systems in place for record keeping of property assets** – improvements have been made to the internal systems, which ensures accurate records to inform decision-making and the team have commissioned safety checks to ensure compliance with health and safety requirements. The next step is a review against the transparency code to ensure published records are available.
- **LGSCO responses and self-assessment of process** – these have been completed, however there are plans to conduct a more detailed review of systems for complaints as well as resident experience in 2025/26.
- **Transformation** – reporting on progress against external auditor recommendations is incorporated into this report. There is increased formal member reporting on the improvement and recovery plans, including an agreement that this will be reported to Full Council as least twice a year. The Council's plans include an assessment

against the Best Value Standards and Intervention Guidance. Whilst the individual actions are complete, the external auditor recommendation and MHCLG direction is about the successful implementation of the transformation programme. Monitoring and oversight of this programme are likely to be a feature of the 2024/25 AGS action plan.

2.7 The particular areas of focus which are likely to continue to feature in the AGS 2024/25 action plan include the following:

- **Evidenced improvement in report clearance** – whilst there is evidence of an improvement in the quality of reports and in relationships between officers in directorates and the corporate teams, there is still a need for earlier engagement on proposals, a lack of internal and benchmarked data to support some decisions and a need for improvement in relation to procurement and commissioning decisions. This is a key feature of the improvement and recovery plan.
- **Demonstrable compliance with CIPFA Financial Management Code and workforce planning** – this is managed under a comprehensive finance improvement programme and most projects are marked Amber. Furthermore a self-assessment is in progress against compliance with the CIPFA FM code.
- **Review of systems in place to record financial transactions and training for officers** – the projects relating to systems improvement and training for officers are part of a complement of projects within the FIP which are due for completion during 2025/26. This includes training, support and guidance for budget holders.
- **Budget setting and MTFS** – whilst there was a scrutiny task and finish group set up to consider budget setting and the MTFS, no recommendations were made to Cabinet in February to inform the budget setting decisions. CISC will need to consider the effectiveness of this process and any improvements required in its annual report. There has been reporting on budget management throughout the year, however this has highlighted gaps in delivery and overspends. Several of the mitigating measures are one off. This area remains a significant risk to the Council.
- **Effective systems for holding and managing finances for separate companies and partnerships** – Whilst there have been reports to Cabinet on company business plans, with the exception of SCF, work is continuing to ensure the effectiveness of financial systems and governance to properly separate transactions and ensure that the Council is fully recovering its costs.
- **External review of corporate anti-fraud policies and procedures** – the team's operational plan for 2025/26 seeks to strengthen its proactive approach to fraud awareness. An external review of internal audit is planned for 2025/26 and consideration will be given to extending this to focus on counter fraud work and culture.
- **Internal audit** – work is underway to stabilise the team and ensure an effective service. The committee, at their meeting in April 2025 will be asked to approve a 2025/26 internal audit plan which is based on risk and engagement with the wider Council leadership. In the latter part of 2024/25 full and sprint audits were undertaken to enable the current interim Head of Internal Audit to produce an opinion.
- **Public reporting on company governance, including key performance information** – whilst there has been improved reporting for companies and one limited liability partnership, for all companies except Slough Children First. James Elliman Homes and GRE 5 have approved business plans, although for the former this is just for one year. There is not yet a regular reporting cycle on company performance either an officer level or to members. However, a draft company/controlled entities protocol has been considered by the Member Panel on

the Constitution with a view to this being adopted by Full Council in May and an officer shareholder panel convened in 2025/26. There is a plan to incorporate a company / connected entities protocol in the Constitution for 2025/26 and this will provide a framework and guidance to officers and members on company governance.

- **Trusts governance** – there has been a lack of progress on improving trust governance and this has been a concern of the Charity Commission in relation to a number of trusts where local authorities are corporate trustees. The Trustee Committee is to meet in April to receive an update on filing of accounts, however more work is required to consider the future sustainability of trusts.
- **Public reporting to members on effectiveness of partnerships and annual reports** – there remains no plan in place to publicly report to members of partnership effectiveness. The community safety plan is to be reported to Full Council (being part of the policy framework) in April 2025, but this is the first time in several years that approval has been sought. Cabinet also received a report on the youth justice inspection and plans are now in place to ensure Full Council approval for the annual Youth Justice Plan (this again being part of the policy framework). None of the partnerships yet have annual reports presented to a formal member meeting for noting. Partnership governance and development remain a key risk for the Council.
- **Adopt a data strategy** – a new approach to data is set out in the March Cabinet report on Improvement and Recovery Plan and a new strategy is planning for 2025/26. Good quality internal data is critical to evidence-based decision-making and this will need to be a key focus in 2025/26.
- **Conduct a review of information published against Government's Transparency Code** – a review has been conducted by the information governance group and identified significant gaps. The next step is to formulate a plan for information owners to increase publication of information.
- **Approve a strategic asset estates strategy** – whilst a high-level decision was taken on retaining office accommodation and feasibility studies have been commissioned, there is still a lack of clarity on which assets should be retained. This is impacted by the target operating model and need for service redesign and the cost of retaining assets need to be built into improvement and recovery plans.
- **Adopt a resident engagement strategy** – objectives and milestones to improve resident engagement are contained in the improvement and recovery plan and there are pockets of good practice in the Council, including in children's services, adult social care and with tenants and leaseholders. The plans for 2025/26 include developing a stakeholder database, launching a resident panel, undertaking a new survey, developing a community insight tool and a structured and systematic framework to guide resident engagement. Delivery against this is likely to remain a key focus.
- **Build programme of trust with communities** – activities are planned for 2025/26, including the option of a e-newsletter. The resident survey, alongside other feedback, will be a means to test whether improvements have been made in this area.
- **Prepare and publish a new procurement strategy** – inadequate procurement arrangements have been flagged by the external auditor. Whilst the Council has taken steps to amend its rules and procedures to comply with the Procurement Act, there is a need for a clear commercial strategy, timely commissioning of goods, works and services to ensure legal compliance and value for money and a commercial pipeline to drive consistency in planning and management of contracts.

Update on process for assessment of governance to inform the AGS 2024/25

2.8 The Local Government Association (LGA) has produced a new Improvement and Assurance Framework for Local Government. This provides a key tool for local government to use to help it demonstrate compliance with its best value duty to secure continuous improvement. By having a focus on effective assurance, local authorities can mitigate the risks and costs of failure and their impact on local residents and businesses. All members have a responsibility to oversee effective governance and all officers have a duty to comply with good governance and provide information to demonstrate such compliance. Assurance is gained from a series of nuanced, qualitative and triangulated judgements to help gain a view of the Council in the round. The AGS should be a collective assessment, utilising information from various sources, both internal and external. Whilst in previous years the AGS assessment has been informed by engagement with service directorates and the corporate leadership team, there has been no formal system in place to gather management or service assurance statements to inform the assessment.

2.9 A new management assurance statement template has been prepared, aligned with the Council's approved Code of Corporate Governance. This is being utilised by directorates to reflect on how they comply with each aspect and identify planned improvements. These statements will form the basis of the AGS assessment, alongside other relevant information, including external reviews and the Head of Internal Auditor's opinion.

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, however there is no requirement to provide a quarterly update on progress against the action plan.

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 many of the improvements relate to systems and processes which will allow evidence-based decisions to be made and impact on key groups to be identified.

4. Background Papers

None