

<b>MEETING</b>	<b>CORPORATE IMPROVEMENT SCRUTINY COMMITTEE</b> (Councillors Shaik (Chair), Khawar, Escott, Hulme, Iftakhar, Mann, Matloob, Mohindra, O’Kelly and Stedmond)
<b>DATE AND TIME:</b>	TUESDAY, 26TH MARCH, 2024 AT 7.00 PM
<b>VENUE:</b>	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
<b>DEMOCRATIC SERVICES OFFICER:</b> (for all enquiries)	MANIZE TALUKDAR 07871 982 919

### SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

\* Item 3 was not available for publication with the rest of the agenda.

### PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
3.	Minutes of the last extraordinary meeting held on 13 March 2024	1 - 12	

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**Corporate Improvement Scrutiny Committee – Meeting held on Wednesday, 13th March, 2024.**

**Present:-** Councillors Shaik (Chair), Khawar (Vice-Chair), Escott, Iftakhar, Matloob, Mohindra and O’Kelly

**Also present under Rule 30:-** Councillors I. Ahmed, Chahal, Kelly, Manku, Muvvala, Wright and Tomar

**Apologies for Absence:-** Councillors Hulme, Mann and Stedmond

**PART 1**

**44. Declarations of Interest**

No declarations were made.

**45. The Commissioners' 4th Best Value Report and Minister's response**

The Chair welcomed the three Best Value Commissioners and their Chief of staff, the following Lead Members and officers to the extraordinary meeting:

Leader of the Council and Lead Member for Improvement & Recovery, Performance, Governance and Young Futures; Finance, Council Assets, Procurement and Revenues & Benefits; Community Cohesion, Public Health, Public Protection, Leisure and Planning; Environment, Environmental Services and Open Spaces; Customer Service, Resident Engagement, Digital, Data and Technology; Adult Social Care, Mental Health and Learning Disabilities; Highways, Housing and Transport; and the Chief Executive; the Monitoring Officer; the Deputy Monitoring officer; the Executive Director People, Adults; Executive Director People, Children; Group Manager in Chief Executive’s Office; the Programme Manager supporting Improvement & Transformation; the Interim Finance Director, Corporate & Strategy.

He advised that the extraordinary meeting had been called to consider the fourth report of the Best Value Commissioners, which had highlighted, among other things, the continued lack of pace and lack of consistency in implementing the government directions. He invited the lead Commissioner to speak to the report.

The Lead Commissioner stated that the Commissioners’ reports to the Minister were carefully considered documents that aimed to provide a balanced view of the overall situation at Slough Council. He stated that positives included good political leadership - whereby Slough had had to overcome the challenges arising from a change in administration and the appointment of several first-time Councillors; the risks associated with a Council where there was ‘no overall control’ and the challenges arising from having to make difficult financial decisions. Members had assumed their roles quickly and well, developed productive relationships with officers, made a

commitment to Member development. Equally the opposition group had adjusted to their new role and provided appropriate challenge via scrutiny. He hoped Members would continue on their journey of self-development.

Although officers were working hard on recovery and there were good examples of this, organisationally the Council remained fragile. The pace and consistency of the recovery process were inadequate. Improvements had been achieved in the areas of procurement and governance, though this was not deemed to be sufficiently consistent or rapid. The Commissioners were pleased by the calibre of recent senior staff appointments and the senior re-structure plans, which would provide confidence in the recovery process.

Nevertheless, there was a need to monitor employee churn, the reasons for which were varied. In their exit interviews, some staff had flagged up inconsistencies in leadership behaviour, working in an environment of high challenge and low support as reasons for leaving.

The culture change programme would require further focus. It needed to be clearly defined and embedded in the organisation so that all staff understood what was expected of them when carrying out their in duties and were supported to do so.

He cited the example of Children's services, where significant improvements had been achieved recently and learning from which could be built upon across the Council.

He added that financial sustainability remained the single biggest risk and the level of current financial challenge meant that this would endure for the long haul. A balanced budget and MTFs had been agreed, nevertheless, there were risks associated with the delivery of savings. Discovery elements and balance sheet risks prevailed and would persist.

The adoption of a new Corporate Plan would provide a sense of direction and there was a need to formulate and implement a new standard operating model setting out how the Council needed to be different. The operating model would provide clear direction, and needed to be underpinned by well-resourced IT.

The Commissioners would be sending another report to the Minister at the end of April 2024, setting out the case regarding best value and the Council could submit its own overview regarding the matter. The intervention was set to end in November, however, it was likely that it would be extended for a set period of time, for the reasons stated earlier.

The Leader stated that Slough was at a pivotal point in its recovery journey. Progress had been made in some areas though there remained many areas of insufficient progress. He was pleased to see the positive comments in the latest report regarding political leadership. He was accountable for the wider success of the recovery and took full responsibility for the inconsistency and lack of pace highlighted in the report. Both he and the Chief Executive had

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weekly discussions on these matters. Some immediate actions had been implemented in response to the Commissioners' latest report – for example, he would be attending monthly CLT meetings to help steer a whole council response to address the transformation and progress issues; assess the impact on residents; and would link into the Commissioners' Transformation Board, (which focussed on a whole council response and set the direction) and would provide the necessary scrutiny and challenge.

His administration had taken steps to deliver a balanced budget and MTFs (medium term financial strategy), though unexpected financial vulnerabilities had come to light last autumn. This demonstrated the continuing need for financial assurance in the medium term. Ernst and Young had concluded their review and advised that further assurance work was needed. There was a need to consolidate understanding of the outstanding years accounts which were being audited. A consolidated finance report would be required by September 2024 for the audit process. There was a need for greater financial management, some of which would be provided by the proposed quarterly 'star chambers,' beginning in June 2024. These would be headed by the Lead Member for Finance, Council Assets, Procurement and Revenues & Benefits, and Executive Directors.

The Chief Executive stated that he took responsibility for the lack of progress and under-performance set out in the letter. Currently the Council was busy formulating its response to the Commissioners report which would be submitted at the end of March 2024. The response would focus on best value and the directions. Visits to other local authorities under intervention had provided some learning, focussing on finances, transformation and children's services. To this end, the new Transformation Board, which sat below the Improvement and Recovery Board (IRB) along with Service Boards, the two new posts in his office, the recruitment of new Executive Directors and Heads of service, would help address these issues.

He added that Slough now had a Corporate Plan and needed to formulate a Target Operating Model. This would describe what the Council should look like in a few years' time and would facilitate culture change. A staff survey and focus groups had been undertaken. The implementation of regular staff appraisals with clearly defined objectives would provide clarity for staff about their objectives, how they fitted into the Corporate Plan and the new operating model; the new cultural working group, chaired by him, would help address culture change. Two new posts in his office, managed by the new Director of Strategy would be focussed on the Directions and accelerating the pace of change.

Members then put questions to the Leader, Cabinet Members, the Chief Executive and the Commissioners as set out below.

- In the Commissioners view, the Council was not meeting its Best Value Duty - did he agree?
- The Commissioners had highlighted the lack of strategic drive and overall pace which threw into question strength of leadership.

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- What was being done to ensure employee churn did not impact on managing staff and how were appraisals being rolled out?
- What was the nature of the current leadership culture at Slough?

The Leader concurred that Slough was not meeting its Best Value duty. He stated that the proposal to introduce weekly food waste caddies to achieve savings, was an example of lack of cohesive planning, where the collections had to be changed to fortnightly ones as the additional provision for weekly collections was not yet in place.

The Lead Commissioner responded that recovering from serious financial and corporate challenges would require enormous effort. It was important to win the hearts and minds of staff, ensure they were rallying around a common purpose and felt supported and empowered to achieve this. This feature was lacking at the broader corporate level although there were pockets where this existed.

The Leader advised that it was for Cabinet to provide the strategic direction for the Council and operational matters such as managing staffing issues were the responsibility of CLT.

Chief Executive advised that staff needed to understand where they fitted into the overall recover process, which would require the involvement of staff, Councillors and scrutiny. A development programme would help them to understand what was expected of them. Staff responsibilities and duties needed to be clearly described so this could be communicated to staff in their appraisals. These measures would help address the culture change agenda. Some employee churn was deliberate and arose from the senior management restructure and voluntary redundancies. Slough was a demanding work environment, with poor functionality which required time and energy. Data showed that the majority of people left organisations due to poor relationships with their managers. Hence the importance of developing the organisation and its leadership culture to prevent future churn. The appraisal process had been implemented, was being cascaded throughout the organisation and was closely monitored for completion. He added that he and all the members of CLT had completed theirs.

The Chief Executive stated that Slough had got into difficulties due to the culture in place, namely poor decision-making and lack of adequate governance. This was being addressed through improved governance procedures. There was a need to ensure that staff were properly led and the right behaviours cascaded down to them. To this end, a behaviour charter had been formulated to enable CLT members to hold each other to account.

The Leader stated that a culture of holding to account, listening to and empowering staff, identifying their development needs, encouraging them to take the initiative, the development of succession plans, improving relationships between staff and management, Members and officers, the Council and its residents, would go a long way to address culture change.

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- Organisational culture change required expertise and a set of skills which was missing at Slough, how would this be addressed?
- The date of submission of the HR transformation plan had been pushed back – when would this be made available to the Committee?
- What were the timelines for achieving the transformation and culture change priorities?
- How would it be possible to achieve transformation when the Council was so heavily reliant on temporary agency staff and interims?

The Leader stated that some deficiencies in HR leadership and practice had been identified. The recently appointed Director of HR would be joining Slough in April/May 2024. A great deal still remained at the aspirational stage and guidance from the Commissioners regarding what good should look like would enable Slough to take ownership.

The Chief Executive advised that the cost of using consultants would be prohibitive. There was sufficient expertise at the Council to achieve culture change and significant change had been implemented in key areas, which needed to be replicated across the organisation. The Corporate Plan priorities would also help shape culture change.

The Lead Commissioner stated that some organisations spent large sums on consultants, however, in his view, the best way to achieve culture change would be to embed a culture that would enable delivery of its corporate priorities, to clarify what behaviours were expected of staff, Members and directors, (these behaviours, should be a set of enablers rather than a set of rules). To this end, improving staff morale and motivation and taking their views on board would result in improved customer service.

The Chief Executive stated that the draft HR Improvement Plan was unsuitable and would require significant input from the new HR Director before it could be shared with Members. With regard to agency staff - any organisation in transition would inevitably rely on agency staff to some degree to help drive change. He acknowledged that a large number of senior positions were interims and there were plans to reduce this figure. The target operating model would describe a smaller Council going forward.

The Leader stated that there was a clear disconnect between the Transformation programme and the operating model. The previous transformation programme, which had been a self-service model, had been abandoned as this was not deemed to be appropriate for the residents of Slough and because the IT resources to deliver it were lacking. The formulation of a target operating model would underpin the transformation and help achieve culture change.

The Lead Commissioner stated that it should be noted that transformation was not an end point, but rather a skill-set and a means to an end that would require ongoing investment as well as the need to be responsive to changing internal and external circumstances.

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The Deputy Leader stated most staff had expressed enthusiasm and passion about wanting to see Slough flourish. Employee churn could be attributed to the intense pace at Slough, frustration at the lack of change and burn out. A clearly defined vision, purpose and values along with defining what services would remain, were core to resolving this. Transformation champions in each department were also needed. Transformation and culture change must be underpinned by well-resourced IT.

- Was the current structure of the IRB working well, was it sufficiently focussed on strategic priorities and the directions?;
- The Council's and Commissioners views on the recovery journey diverged, how would these concerns be addressed?
- What was their view of the directions being extended?
- Concerns regarding the loss of ethnic minority staff, the lack of staff morale, the lack of diversity in the workforce had been raised previously and this situation had worsened. What steps had been taken to understand the situation and address it?

The Leader stated that the Council's structure needed reorganisation and it was undergoing a process of continuous improvement. In addition to the two new posts in the Chief Executive's office, there was a need to implement more support for the Leader's office. The current structures were not fit for purpose in identifying problems and next steps. He added that he shared many of the Commissioners' views in the report. Whereas the Commissioners were focussing on outcomes in relation to the Directions, the organisation was more focussed on the local perspective i.e., whether residents felt that they were getting value for money and the Council was living within its means.

The Chief Executive stated that there was 'no one size fits all' solution for authorities under intervention. The IRB was continuously evolving and the Transformation Board would enable better two-way dialogue with the Commissioners – this was work in progress, and things could only get better.

The Leader stated that in his view, extension of the intervention was both likely and necessary. The Commissioners had indicated that it may be extended for a period of two years, which was a realistic timeline and he would support this.

He added that he had attended several staff roadshows, spoken to staff and the unions, to residents and taken on board advice from the Commissioners. There was now a second intervention in Children's services and he had been attending the 'Getting to Good Board' and met with the Children's Commissioner to get a balanced view of the situation. There was a need for a whole council approach, a move away from silo mindsets to a more joined-up way of focussing efforts on achieving outcomes.

The Chief Executive acknowledged that the demographics of the borough needed to be replicated at the Council, particularly at the senior level. The equalities objectives, which had been consulted on, were due to be submitted to Cabinet shortly. These would help evaluate whether the Council was



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discharging its PSED (public sector equality duty) and would be an opportunity to evaluate Slough's performance against the objectives. This was a live issue that needed to be prioritised.

The Deputy Leader stated that he had spoken to staff and trade unions and residents to glean their views on the matter, had undertaken training and visited Bristol which had a large ethnic minority population. Going forward he would be an equalities champion and tackle the issue head on.

- When would it become apparent whether the recovery journey was not working and when would the leadership team be held accountable?

The Leader stated that the staff appraisal process and assessing whether statutory delivery and service standards were being met would provide some insight into the success of the recovery journey. A staff survey had been undertaken after many years, the results of which coupled with the results of the recent LGA resident survey would also inform the process.

The Chief Executive stated that the lack of job descriptions, appraisals, clear structure charts and inadequate HR software over a number of years had hindered the process of holding staff to account. Overcoming these obstacles would facilitate the process of holding managers to account.

- A previous Commissioner had advised that insufficient thought was given to the approval and reporting process, which had prevailed until recently. How would this be resolved going forward?
- Had there been any significant changes implemented since publication of the Ministerial response to the report?

The Leader stated that the Commissioners had emphasised the need for pace and momentum, his administration had wanted to avoid delays in decision-making and delivering savings plans. The realisation that some budget provisions had not been substantial enough to deliver services and had to be bolstered had caused delays. Completing the budget was a significant achievement and the focus would now shift to developing and implementing the operating model and the transformation.

He added that the Commissioners had alerted him to areas of shortcoming last year. Going forward, outcome-based plans, finalising the HR improvement plan, the new posts in the Chief Executive's office would drive the necessary change. In terms of lessons learned – that transformation and recovery would require all the basic building block such as well-resourced and functioning HR, ICT etc to be in place.

The Chief Executive stated that many of the building blocks should be in place this year, which would provide assurance.

- What form would an extended intervention take – would the Commissioners powers be increased?

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- The previous transformation programme had stalled. Was there a roadmap for the latest programme and how would it be monitored?

The Lead Commissioner stated that the April report would focus on demonstrating why the Council was failing to achieve Best Value and describe the nature of the extended intervention. The Council's relationship with the current Commissioners would remain the same, and he did not anticipate an increase in their powers. Nevertheless, the final decision would be up to the Minister.

The Chief Executive stated that operating model and implementation roadmap needed to be developed and agreed by all stakeholders through consensus.

- Not achieving best value over a number of years had resulted in financial difficulties for the Council. How would financial sustainability be achieved without recourse to further exceptional financial support from Central government – how would confidence be restored?

The Chief Executive stated that a balanced budget and MTFs had been agreed, though this alone did not mean Slough could withstand future shocks. The situation remained dynamic for many local authorities and the Council would need to remain responsive to changing circumstances.

The Leader stated that Commissioners had stressed that there were significant risks associated with the transformation necessary for Slough to become a best value council. It must ensure properly funded statutory services to support those living in deprivation and tackle health inequalities. He recognised the need to provide increased levels of assurance - extending the deep dive approach, the star chambers and the findings of the Ernst & Young review would provide this in part.

- What role did scrutiny have in the recovery process?
- Was there sufficient support and engagement from the Commissioners & Executive Directors to achieve bandwidth in directorates in order to prioritise the directions?

The Lead Commissioner stated that scrutiny had a crucial role in providing challenge and holding to account the administration and officers - and he encouraged this approach. Tonight's meeting was a good example of good scrutiny. The Commissioners valued and enjoyed their role at Slough, had received good engagement from Members and officers, and felt their guidance was valued.

The second Commissioner stated that a great deal remained to be done and the challenge was to identify, prioritise and roll out a phased engagement. The Committee did not have sufficient resources to engage with every area of concern and would need to take a targeted approach in order to add value.

The Finance Commissioner emphasised that Slough needed to be clear about what were national issues and what was unique to Slough - it was important

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not to muddle the two. Both Scrutiny and the Audit committee needed to be aware of risk and expect full transparency and disclosure and understand the scale of the challenge ahead. Members needed to be aware of what would be required in terms of in-year sustainability, i.e., what items needed to be reviewed, how performance would be monitored to ensure plans were on track and deliverable. She concluded by saying there needed to be clarity about the new operating model and whether core services could be delivered without recourse to exceptional support, which would be a test of resilience. Scrutiny & Audit should use their skill sets, optimise their resources to hold officers and the Executive to account, function in a joined-up way, without duplication of work.

- What contingencies were there if phase two of the asset disposal programme was not achieved?
- The Commissioners highlighted the inadequate management and lack of transparency with regard to risks in financial sustainability – how would this be resolved?
- Would the Council need to draw down from reserves or request exceptional support in the future?

The Leader stated that Slough's difficulties stemmed from poor governance and lack of adequate financial controls in place. Since his administration had taken over, budgets had been decentralised and oversight and accountabilities strengthened. Going forward the use of robust star chamber sessions, in-year reporting, assigning a finance officer to each department, increased ownership and accountability, multiple dashboards would provide detailed insight and flag up risks on the horizon. Historic accounting issues were expected to be concluded by September 2024. The Ernst and Young balance sheet review would provide additional assurance. The challenge of recovery was that it was a continuously evolving process. Sustainability would be achieved through the transformation programme and achieving the right-sized Council. Ideally the Council would prefer to add to rather than take from its reserves and he could not predict whether additional exceptional support would be required – the situation was evolving and there was a need to remain responsive to changing circumstances.

- Was the Council still broken. Was a restructure planned as part of the Transformation?
- Many local authorities were cutting staff, would Slough be doing the same?

The Chief Executive responded that the Council was badly damaged, and all areas required improvement. Children's services had been under intervention for nine years. The Commissioners had acknowledged improvements but had highlighted that lack of pace was an issue. Recovery would require appointing the right staff and investment in transformation and ICT to drive it forward.

He added that £7M had been allocated for potential redundancies at the beginning of the intervention in a bid to make savings. However, this had not been used as significant staff cuts had already been implemented under the previous transformation programme. Staff had commented that they were

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working in smaller teams with increased responsibilities. The operating model would describe the composition of the Council in two years' time – i.e., whether it would be an enabling or commissioning council and the role of the voluntary sector in helping to deliver key services.

- Was the Council clear about what was needed to end the government intervention?

The Leader stated that this had been explicitly communicated by the government and by the Commissioners. There was open and honest two-way communication with the Commissioners and DLUHC (department for Levelling Up, Housing & Communities) who had provided guidance on the recovery process.

Following discussion, Members proposed that the six recommendations below be forwarded to Cabinet for consideration. These were seconded and unanimously agreed:

1. The Council should systematically assess and learn lessons from other councils' successes during intervention, including exploring whether we have sufficient expertise in-house to deliver a major change programme;
2. To review and improve the way that we report to ourselves and to commissioners about plans and progress;
3. Directors establish demonstrable capacity to create bandwidth / be able to develop transformation as well as continue BAU;
4. That an Independent Review (or Race Equality Commission) be commissioned immediately into Equality and Diversity issues in Slough Borough Council;
5. That a draft HR Improvement plan is brought to the Committee by the new HR Director within four weeks of her start date;
6. That with regard to transformation and culture, a separate scrutiny committee, alongside CISC, that focussed on council departments' work and frontline services, be set up.

**Resolved – That:**

1. the Council should systematically assess and learn lessons from other councils' successes during intervention, including exploring whether we have sufficient expertise in-house to deliver a major change programme;
2. the Council review and improve the way that we report to ourselves and to Commissioners about plans and progress;

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3. Directors establish demonstrable capacity to create bandwidth / be able to develop transformation as well as continue BAU;
4. an Independent Review (or Race Equality Commission) be commissioned immediately into Equality and Diversity issues at Slough Borough Council;
5. a draft HR Improvement plan is brought to the Committee by the new HR Director within four weeks of her start date;
6. with regard to transformation and culture, a separate scrutiny committee, alongside CISC, that focussed on council departments' work and frontline services, be set up;
7. the report be noted.

**46. Date of Next Meeting**

26 March 2024.

Chair

(Note: The Meeting opened at 7.00 pm and closed at 9.15 pm)

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