

## SLOUGH BOROUGH COUNCIL

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	29 <sup>th</sup> March 2022
<b>SUBJECT:</b>	Slough: Solid Foundations for Recovery
<b>PORTFOLIO:</b>	Councillor Swindlehurst, Leader, Forward Strategy & Corporate Resource
<b>CHIEF OFFICER:</b>	Chief Executive
<b>CONTACT OFFICER:</b>	Gavin Jones
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	NO
<b>EXEMPT:</b>	NO
<b>DECISION SUBJECT TO CALL IN:</b>	YES
<b>APPENDICES:</b>	None

### 1 Summary and Recommendations

1.1 This report focusses on Leadership and Culture at Slough Borough Council and defines what is needed to ensure a solid foundation upon which a recovery programme will be delivered. It should be read in conjunction with the "Recovery Plan".

#### **Recommendations:**

Cabinet is recommended to approve the following 12 recommendations to be built into the Council's wider Recovery Plan:

- **Recommendation 1:** *Cabinet will commit to ongoing, facilitated leadership development as a collective.*
- **Recommendation 2:** *In addition, each Lead Member will have their own tailored development plan, so that they are empowered to fulfil the Executive roles properly.*
- **Recommendation 3:** *Commitment to re-statement and regular communication on priorities within the organisation and outside - clearly outlining what is going well, not so well and what has changed as a result of the intervention.*
- **Recommendation 4:** *Commitments to diversity and how the members will obtain tangible evidence to show change has happened.*

Cabinet is recommended to note the intention of the Chief Executive to ensure the following:

- **Recommendation 5:** *The CLT will commit to ongoing, facilitated leadership development as a collective.*
- **Recommendation 6:** *Regular staff surveys will be undertaken and will include a section on CLT leadership. Any shortcomings will be addressed and fed back to staff.*
- **Recommendation 7:** *Visibility of officer senior leadership –improvements to include Chief Executive/ Executive Director visits to departments, unscheduled walkabouts, use of technology to communicate and obtain feedback, weekly blog from Chief Executive and attendance at induction programme or key message video.*
- **Recommendation 8:** *Recruitment and Retention of staff will be fundamental to the Council’s recovery. The Council will publish a workforce strategy to address*
- **Recommendation 9:** *A working group is established involving staff from across the organisation to propose a set of organisation values and behaviours. Once adopted, these will form a key part of the employer brand and will be used in recruitment, professional development and performance management*
- **Recommendation 10:** *An annual staff survey (with intra year thematic polling) will be undertaken. Results will be published and scrutinised. Any response action will be published and reported back to the organisation*
- **Recommendation 11:** *Bi-annual “Leader and CEO roadshows “will be undertaken, supported by smaller informal sessions with groups of staff. Where staff will have the opportunity to be updated on issues affecting the Council and where they will have the opportunity to interact with senior leaders*
- **Recommendation 12:** *THE COUNCIL should monitor and publish its staff diversity figures and create opportunities through its recruitment and staff development for people from diverse backgrounds to join and advance within the organisation.*

**Reason:** The recommendations support the Recovery Plan by promoting effective leadership and good organisational culture.

## **Commissioner Review**

*“Commissioners will follow the discussion at Cabinet with interest.”*

## **2 Report**

Slough Borough Council is in serious difficulties and has to quickly demonstrate to its residents, taxpayers, service users, staff, partners and Government that it is capable and committed to addressing the causes of failure and fixing those things that are now broken. There are multiple causes for the failure of the Council including poor financial practice, weak oversight and a poorly implemented transformation programme entitled “Our Futures”.

The Council is now under formal intervention from Central Government and has appointed three Commissioners to help the Council take ownership of its recovery and to ensure steps are in place to address subsequent issues.

The root cause of any organisational failure of this magnitude is a failure of leadership, at both officer and Member level. Without tacit acknowledgement of this and a formal commitment to addressing this failure, any Recovery Plan is doomed to fail, and as such would be a plan built on sand.

Failure of leadership manifests in many different ways. A poor culture where staff and Members are not empowered to “speak truth to power”. Decision making is not supported by strong evidence and there is a lack of good oversight and scrutiny. Communication is weak and value is not given to personal and organisational learning. Diversity in all its guises is often not valued, including diversity of thinking to avoid “group think”. Priorities are often unclear or too many priorities without a realistic understanding of the skills and capabilities required to deliver. The lack of a golden thread where corporate priorities are not properly cascaded down throughout the organisation and a robust organisational and individual performance management framework is missing to support delivery, making successful delivery impossible. To a greater or lesser degree, all of these symptoms of failure of leadership have been present at Slough Borough Council for some considerable time.

Without the Council formally recognising the above and without taking responsibility for addressing, any Recovery plan will be relatively meaningless. Providing consistent and strong leadership and setting and owning a positive organisational culture are the essential foundation stones of any organisation. The eventual recovery of Slough Borough Council will be highly dependent on the recruitment, development and retention of high quality, dedicated staff and this can only be achieved if the Council provides a positive cultural environment for them to work in.

### **Taking responsibility for providing effective Leadership**

Leadership takes many different forms and can come from any level of the organisation and the wider system in which the Council operates. However, for the Council to properly recover over time, the Members and Senior officers must, between them, take responsibility for their individual and collective leadership and for its development across the organisation. Visible signs that the Council is improving its leadership capability will be that at the most senior levels:

- Decisions are based on data and evidence and that professional advice is demonstrably valued
- Priorities are clear and realistic expectations for delivery are set, supported by timely and effective performance and risk management
- Clear and effective governance arrangements are in place, understood and followed to support effective decision making
- A culture of organisational and individual learning and development is firmly established
- Leaders are visible and approachable they are trusted and trust each other.
- Communication and engagement with staff and partners is timely and regular
- The officer/Membership leadership team, design feedback loops to verify from staff, and partners that they are providing the leadership that the organisation needs and to commit to addressing any issues identified
- The organisation learns from its failures
- Officers and members are able to move on from the past and focus on the future
- Meetings, both informal and formal, between officers and members are respectful and focused on collective discussion and debate on proposals
- The organisation is transparent and openly and actively engages with the public and partners to inform decision-making

There are two main leadership groups in the local authority that must specifically take ownership of the Council's leadership responsibilities. The Members who form part of the Administration (Cabinet) and the Senior officer Team (Corporate Leadership team). Officers and Members work for the public sector, meaning they are both servants of the public and stewards of public resources. However, the roles and responsibilities of each are different.

### **Lead Members (Cabinet)**

The Cabinet team are well established at Slough and recognise their failings in providing the appropriate oversight of the Council that has led to the huge financial and organisational failings and are committed to addressing the issues. Whilst it is clear that very poor financial practice by previous finance officers and a poorly implemented restructuring by the former Chief Executive created enormous destructive shocks to the organisation, this should not have been able to happen if Members had fulfilled their oversight role effectively and created a culture where people had felt safe and confident to raise issues in a timely manner.

Democratic leadership of a local authority is essential, ensuring that elected representatives are accountable to the whole electorate. Members are lay people who bring the needs and hopes of their communities to the fore in an effort for the Council to address key priorities and to tackle disadvantage and inequality. Being elected to do so though, carries a heavy burden of responsibility to ensure that the Council is fit for propose in delivering both its statutory responsibilities and local priorities. To carry out this responsibility well, Members need to take time to understand their role within the organisation, understand and commit to the Nolan principles of public office, and to invest in themselves, to ensure that they can carry out their roles successfully as both Lead Members with portfolio responsibilities and of being part of the Cabinet that provides the focus and culture for the organisation as a whole. Members should comply with the Code of Conduct for Councillors, regularly monitor and review the performance of the Council, represent the Council externally, act as advocates for constituents. Members should not get involved in day-to-day operational activities and should not seek to performance manage staff.

This commitment to good political leadership goes beyond the basics of attending formal meetings. It embraces the opportunity for personal and collective learning. It welcomes good scrutiny, and it works hard to ensure that it creates a culture where officers feel valued and are able to speak freely. Great political leadership is clear about its priorities and recognises its role ensuring that the organisation is "fit for purpose" in delivering those priorities.

***Recommendation 1:*** *The political leadership team will commit to ongoing, facilitated leadership development as a collective.*

***Recommendation 2:*** *In addition, each Lead Member will have their own tailored development plan, so that they are empowered to fulfil the Executive roles properly.*

***Recommendation 3:*** *Commitment to re-statement and regular communication on priorities within the organisation and outside - clearly outlining what is going well, not so well and what has changed as a result of the intervention.*

***Recommendation 4: Commitments to diversity and how the members will obtain tangible evidence to show change has happened.***

### **Corporate Leadership Team (CLT)**

The Corporate Leadership Team (CLT) consists of the Chief Executive and the most senior officers of the Council. CLT are responsible for providing effective and joined up organisational leadership. The members of CLT are Executive Directors with specific portfolio accountabilities, but they are also part of a corporate leadership team, with responsibilities to ensure effective communication and direction for the organisation as a whole and for ensuring the culture of the organisation remains a positive one.

The current CLT consists of a mixture of interim managers, new in post permanent Members and the only long term established Executive Director has recently announced his resignation. The current team are also tackling the effects of a poorly executed re-organisation and financial collapse that took place under the leadership and direction of the former chief executive. Their individual workload is enormous and stressful and despite their commitment, they are unable to provide coherent, sustained leadership to the organisation without additional support.

Of the three Government commissioners, Gavin Jones (CEO Essex County Council) has also been appointed as the Council's Chief Executive (Head of Paid Service) as of 9 March 2022 and will be providing this leadership on a part-time basis up to 3 days per week.

A vital component of the Council's recovery is to have a CLT that is properly resourced, with senior staff in the right roles and are committed to the turnaround of the Council. The current interim Executive Directors have committed to the Council for all, or most of the 2022/23 financial year, and whilst this is positive, the Council will need a more permanent leadership team that can commit to a longer term and at the right time, a permanent CEO who can lead the change the Council needs to make.

The recruitment market for senior Local Government officers is not buoyant and there is much competition for high quality staff. Whilst there will be some senior managers who are attracted to the idea of a "turnaround" role, the Council will need to work hard to attract and retain those Leaders. Of particular importance will be the culture of the organisation and the sense that officers will be joining an organisation that has understood why it has become dysfunctional and has taken steps to ensure that the issues of leadership and culture have or are being, addressed.

***Recommendation 5: The CLT will commit to ongoing, facilitated leadership development as a collective.***

***Recommendation 6: Regular staff surveys will be undertaken and will include a section on CLT leadership. Any shortcomings will be addressed and fed back to staff.***

***Recommendation 7: Visibility of leadership –improvements to include Chief Executive/ ED visits to departments, unscheduled walkabouts, use of technology to communicate and obtain feedback, weekly blog from Chief Executive and attendance at induction programme or key message video.***

**Recommendation 8:** *Recruitment and Retention of staff will be fundamental to the Council's recovery. The Council will publish a workforce strategy to address*

**What does a good organisational culture look like and how will the Council achieve it?**

Organisation culture is a combination of senior leaders and employee values, beliefs, and behaviours. It matters to any organisation that it takes time to build and maintain a positive culture as without it, recruitment and retention of good staff becomes very difficult, staff wellbeing is affected, productivity reduced and resident satisfaction is negatively impacted. The Council has a long way to go before it can claim to have a positive organisation culture. The disastrous restructure demonstrated that staff were not listened to nor were they able to raise legitimate concerns. Consequently, many good staff have now left and indeed are still leaving. If the Council had had a positive culture, the restructure is unlikely to have occurred in the way that it did.

At the heart of any good organisation culture is the celebration and valuing of diversity. So far as is possible, the workforce should reflect the communities that the Council serves and should be reflected in the leadership make up of the Council.

The values and behaviours of the organisation should be developed in collaboration with staff from all aspects of the Council, so that there is a sense of being owned by the organisation and its staff. Critical to its success though is the role modelling by Leaders (political and officer). Any published set of values and behaviours are meaningless if the Council leaders do not model the behaviours themselves and openly take action where leadership falls short of the stated values and behaviours.

To be authentic about the culture that the Council seeks, it is recommended that:

**Recommendation 9:** *A working group is established involving staff from across the organisation to propose a set of organisation values and behaviours. Once adopted, these will form a key part of the employer brand and will be used in recruitment, professional development and performance management*

**Recommendation 10:** *An annual staff survey (with intra year thematic polling) will be undertaken. Results will be published and scrutinised. Any response action will be published and reported back to the organisation*

**Recommendation 11:** *Bi-annual "Leader and CEO roadshows" will be undertaken, supported by smaller informal sessions with groups of staff. Where staff will have the opportunity to be updated on issues affecting the Council and where they will have the opportunity to interact with senior leaders*

**Recommendation 12:** *the Council should monitor and publish its staff diversity figures and create opportunities through its recruitment and staff development for people from diverse backgrounds to join and advance within the organisation.*

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

#### **3.1 Financial implications**

- 3.1.1 The financial implications arising from the recommendations will be costed and reported as part of the final plan due at the end of May 2022. The costed recommendations will have to be delivered within the Council's approved revenue budget for 2022/23 and taking account of the estimated capitalisation direction and required budget savings for 2023/24 and beyond.

#### **3.2 Legal implications**

- 3.2.1 The proposals in this report will form part of a wider recovery plan, which is the subject of a separate report. This will assist the Council to comply with its statutory duties, including its best value duty.

#### **3.3 Risk management implications**

- 3.3.1 The risks of not making the necessary improvements to the Council are considerable. A key risk is not being able to recruit and retain staff. This report is making recommendation to address this risk.

#### **3.4 Environmental implications**

- 3.4.1 Not applicable

#### **3.5 Equality implications**

- 3.5.1 Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
- 3.5.2 Recruiting and retaining a diverse workforce that reflects the wider community of Slough will help to meet this duty and ensure that proposals, decisions and service delivery is led and managed by staff with a diverse approach and background. This should help the Council in its decision-making processes.

#### **3.6 Workforce implications**

- 3.6.1 There are no direct workforce implications, but the recommendations are intended to improve recruitment and retention of staff and to ensure the workforce reflects Slough's communities.

### **4. Background Papers**

None