

Slough Borough Council

Report To:	Overview and Scrutiny Committee
Date:	23 February 2023
Subject:	Improvement and Recovery update
Lead Member:	Councillor James Swindlehurst, Leader of the Council and Cabinet Member for Council Recovery, Forward Strategy & Economic Development
Chief Officer:	Stephen Brown
Contact Officer:	Sarah Hayward
Ward(s):	All
Key Decision:	NO
Exempt:	NO
Decision Subject To Call In:	NO
Appendices:	Appendix 1 – Report to Improvement and Recovery Board 8 December 2022 Appendix 2 – Report to Improvement and Recovery Board 26 January 2023

1. Summary and Recommendations

- 1.1 This report provides the quarterly update to Scrutiny and Cabinet on the progress being made by the Council against the Secretary of State Directions issued in December 2021, and the overall council recovery plan
- 1.2 This report also sets out the current position with Government intervention. Commissioners wrote to the Secretary of State in December to provide a detailed overview of the progress made by the Council during the first year of intervention. We are awaiting the formal letter from the Secretary of State.

Recommendations:

- 1.3 Scrutiny is requested to make any comments on the following to inform the consideration of this report by Cabinet on 27 February:

- a) Note and comment on the progress made by the Council since the previous report in addressing the Directions of the Secretary of State;
- b) Agree to the next steps as set out in the action plans and other workstreams that have been developed to address the Directions.

Reason

- 1.4 Since the last report in November there have been two meetings of the Improvement and Recovery Board in December and January.
- 1.5 The Commissioners wrote to the Secretary of State on 22 December setting out the position of the Council against the Directions during the first year of intervention.
- 1.6 Formal meetings with Commissioners continue monthly in the form of the Improvement and Recovery Board. Quarterly updates will continue to be brought to Scrutiny and Cabinet setting out the detail of the issues reported on at these progress meetings along with additional areas of focus and activity as required by Commissioners.
- 1.7 Commissioners are concerned at the long term viability of the council given the scale of the challenges it faces and the progress and changes required to address the issues that led to intervention.
- 1.8 This report and the appendices set out the progress made to date and the next steps to accelerate change against the journey to recovery and improvement.

Commissioner Review

The views of Commissioners are fully set out in the December letter to Ministers.

2. Report

Introduction

- 2.1 As previously reported Members are aware the Council received a formal direction from DLUHC made under s.15(5) and (6) of the Local Government Act 1999, including a direction that prescribed functions are to be exercised by Commissioners; and the appointment of Commissioners from 1 December 2021.
- 2.2 The Council took a number of steps, including approving a new Corporate Plan in May 2022 that set out its strategy for improvement. This is in the process of being refreshed and a separate report will be submitted to February Cabinet regarding this.
- 2.3 Commissioners have recognised that there is now a more holistic approach to reporting progress against the various action plans in place to address the Directions and this is presented in the reports attached to the Improvement and Recovery Board.

3 Options considered

- 3.1 It was agreed by Cabinet in November that regular public reporting on the Council's ongoing response to Government intervention was essential to ensure transparency and accountability.

- 3.2 A separate report has been submitted to February Cabinet on a refresh of the Corporate Plan to set the direction of the council in light of the ongoing challenges faced.

Background

- 3.3 It is now over a year since Commissioners were appointed by the Secretary of State. During that time the Council has had the opportunity to discuss with Commissioners the extent of the challenges it faces.
- 3.4 Cabinet agreed in November to a more holistic method of reporting progress against the Directions and this has been welcomed by Commissioners.
- 3.5 As reported in November, senior level appointments including the Chief Executive position has created more of a sense of stability and an ability to oversee a refreshed corporate approach to improvement and recovery. In January it was announced that additional appointments have been made to the key roles of Executive Director for People (Children) and Executive Director for Finance and Commercial.
- 3.6 It is clear that Commissioners remain extremely concerned at the pace of progress and the long term viability of the council.
- 3.7 For these reasons, the appendices to this report present an overview of the workstreams in place to address each of the Directions and how these have been reported to Commissioners.
- 3.8 To address the specific issues of concern raised by Commissioners it is envisaged that in addition to the standard reporting on the Directions, there will be deeper dives into individual Directions or other recovery workstreams.
- 3.9 A separate report on the council's strategic direction in the form of a refreshed Corporate Plan has also been submitted to February Cabinet. In addition, the Cabinet and other member forums continue to receive reports which relate to specific directions and improvements, including finance action plan updates, reports on specific company governance, updates on ICT, procurement and internal audit progress, asset disposal recommendations and updates and updates on senior officer staffing restructure.

4 Implications of the Recommendation

Financial implications

- 4.1 This progress update report is intended to complement existing financial reporting in particular against the Financial Action Plan. Any actions arising from the recommendations will be funded from within existing budgets

Legal implications

- 4.2 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. The directions were 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.

4.3 Annex A of the directions set out the action the Council is required to take. This included functional capability assessments of all service areas and preparing and agreeing an improvement plan containing a number of action plans. The functional capability assessments were reported to Cabinet in March 2022 and have formed the basis of service delivery plans. The improvement plan was approved by full Council in May 2022 with a series of recovery themes. Work is continuing on the detail of the action plans under each of these themes. The Council is required to report to the Commissioners on the delivery of the Improvement Plan at six monthly intervals or such intervals as the Commissioners may direct. The Council has been reporting to the Commissioners at monthly improvement and recovery boards and will be adopting the recent feedback given by the commissioners in meetings on each of the action plans. There is a specific direction on a programme of cultural change. A report was brought to Cabinet in March 2022 agreeing actions against this direction and this work underpins all other actions plans and recovery work. There is also a specific direction on reviewing the Council’s companies. Progress on this has been reported in the Finance Action Plan, as well as in standalone reports. Reports will be presented to Cabinet on each of the remaining companies this financial year. There is a specific direction on better and evidence-based decision making, including enhancing the use of data and insight. This underpins all Council action plans and improvements as it is at the centre of how public bodies should make decisions.

4.4 Annex C 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 the oversight of collection of revenues and benefits and 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. The Explanatory Memorandum to this Direction confirms that in practice most decisions are expected to be taken by the Council, however the Directions are designed to give the Commissioners the power to tackle weaknesses identified to ensure the Council is better equipped to meet the best value requirements. Cabinet should have regard to the advice and comments of the Commissioners contained in this report.

Risk management implications

4.5 The table below sets the key risks

Risk	Summary	Mitigations
Financial	Failure to deliver financial sustainability	Financial action plan, Capitalisation Directive and immediate to long-term savings plans
Legal	Failure to address the Directions and demonstrate compliance with the Council’s best	Appointment of new interim Monitoring Officer to bolster capacity at senior management level.

Risk	Summary	Mitigations
	value duties or other legal duties leading to increased legal challenges to decision-making and further statutory intervention.	Recruitment of interim support for governance and scrutiny. A whole system approach, focusing on the basics of local government governance and decision making, including training and development and involvement of legal services at an earlier stage of policy formulation.
Reputational	Failure to meet the requirements contained in the Directions leading to further intervention from Government	A more comprehensive and corporate approach has been developed building on lessons learned over the past year to provide greater confidence in the Council's journey and direction of travel

Environmental Implications

4.6 There are no direct environmental implications as a result of the recommendations contained in this report.

Equality implications

4.7 The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are:

- age
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

The broad purpose of this duty is to integrate considerations of equality into day-to-day business and to keep them under review in decision making, the design of policies and the delivery of services.

Procurement implications

4.8 One of the Directions includes specific reference to the procurement and contract management function and this is detailed in the Appendix.

Workforce implications

4.9 Any future changes to the workforce will be subject to full statutory processes and consultation.

Property implications

4.10 The Council has developed an Asset Disposal Strategy and this has been approved by Cabinet.

5 Background Papers