

Date of despatch: Monday, 14 November 2022

**To the Members of Slough Borough Council**

Dear Councillor,

You are summoned to attend a Meeting of the Council of this Borough which will be held in the Council Chamber - Observatory House, 25 Windsor Road, SL1 2EL on **Tuesday, 22nd November, 2022 at 7.00 pm**, when the business in the Agenda below is proposed to be transacted.

Yours faithfully



**STEPHEN BROWN**  
Chief Executive

**PRAYERS**

**AGENDA**

**PAGE**

**APOLOGIES FOR ABSENCE**

- |    |   |       |
|----|---|-------|
| 1. | Declarations of Interest  | -     |
|    | <i>All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i> |       |
| 2. | To approve as a correct record the Minutes of the Council held on 22 September 2022   | 1 - 6 |
| 3. | To receive the Mayor's Communications.  | -     |

**Public Questions**

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| 4. | Questions from Electors under Procedure Rule 9. | - |
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**Recommendations of Cabinet and Committees**

*[Notification of Amendments required by 10am on Monday 21 November]*

- |    |  |                                  |
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| 5. | Recommendations of the Overview and Scrutiny Committee from its meeting held on 17th November 2022   |                                  |
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| 6. | Recommendations of the Cabinet from its meetings held on 2nd November 2022 and 21st November 2022  |                                  |
|    | <ul style="list-style-type: none"><li>• Montem Site Appropriation</li><li>• Financial Action Plan Update</li><li>• Improvement and Recovery Update</li></ul> | 35 – 46<br>47 – 122<br>123 - 202 |

**Officer Reports**

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| 7. | Appointment of Chief Executive   | To Follow              |
| 8. | Revisions to the Constitution  |                        |
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| 9. | To consider Motions submitted under procedure Rule 14. | 233 - 234 |
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**Member Questions**

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| 10. | To note Questions from Members under Procedure Rule 10 (as tabled). | - |
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**Press and Public**

**Attendance and accessibility:** You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

**Webcasting and recording:** The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

**Emergency procedures:** The fire alarm is a continuous siren. If the alarm sounds Immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

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## MINUTES OF COUNCIL PROCEEDINGS

At a Meeting of the Council for the Borough of Slough held at the Council Chamber - Observatory House, 25 Windsor Road, SL1 2EL on Thursday, 22nd September, 2022 at 7.00 pm

**Present:-** The Worshipful the Mayor (Councillor D Parmar), in the chair; Councillors Ajaib, Akram, Ali, Anderson, Bal, Bains, Basra, M. Bedi, P. Bedi (from 7.18pm), Begum, Brooker, Carter, J. Davis, Dar, Gahir, Grewal, Hulme, Kaur, Kelly, M. Malik, S. Malik, Mann, Matloob, Minhas, Mohammad, Muvvala, Nazir, Pantelic (from 7.10pm), S. Parmar, Qaseem, Sabah, Sandhu, Smith, Strutton, Swindlehurst and Wright (from 8.12pm)

**Apologies for Absence:-** Councillors Akbar, Cheema, R. Davis and Gill

### 25. Declarations of Interest

Councillor Bal declared that his daughters worked for the council. He remained and participated in the meeting.

### 26. To approve as a correct record the Minutes of the Council held on 21st July 2022

**Resolved** – That the minutes of the meeting held on 21<sup>st</sup> July 2022 be approved as a correct record.

### 27. To receive the Mayor's Communications.

On behalf of the office of the Mayor, and of communities across Slough, the Mayor reiterated heartfelt condolences to His Majesty the King and the Royal Family as they continue their period of mourning following the death of Her Majesty Queen Elizabeth II. The extraordinary service that Her Majesty had given to the country over her 70 year reign was recognized.

The books of condolence placed in council buildings and community centres across the borough, reflected the deep affection and respect residents of Slough had for Her Majesty.

The Mayor thanked Members, past mayors, dignitaries and the public who came to the Reading of the Proclamation of the accession of King Charles III, and the Service of Remembrance. Tribute was also given to all of the public servants, both in Slough and across the country, for their dedication and professionalism in arranging all of ceremonial and state events that had taken place during the past two weeks.

Following remarks from the Leader of the Council and the Leader of the Opposition on the passing of the late sovereign, a minute silence was held in memory of Her Majesty.

**28. Questions from Electors under Procedure Rule 9.**

One question had been received and in the absence of the questioner, his nominated representative asked a supplementary question. A written reply would be sent after the meeting.

**29. Recommendations of the Cabinet from its meetings held on 18th July 2022 and 21st September 2022**

Recommendation of Cabinet from its meeting held on 18<sup>th</sup> July 2022 – Montem Site Appropriation

It was moved by Councillor Anderson,  
Seconded by Councillor Swindlehurst,

“That Council resolves to appropriate the Montem site to planning (shown edged red in the plan at Appendix 1 to the report) under section 226 of the Town and Country Planning Act 1990 on the grounds that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, and the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the whole, or any part, of their area.”

The recommendation was put to the vote and agreed with 34 votes for and 2 abstentions.

**Resolved** - That the Montem site be appropriated to planning (as shown edged red in the plan at Appendix 1 to the report) under section 226 of the Town and Country Planning Act 1990 on the grounds that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, and the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the whole, or any part, of their area.

Recommendation of Cabinet from its meeting held on 21<sup>st</sup> September 2022 – Financial Action Plan Update

It was moved by Councillor Anderson,  
Seconded by Councillor Swindlehurst,

“That the progress and issues arising from the continued work on the Financial Action Plan be noted.”

The recommendation was put to the vote and agreed with 28 votes for, 1 against and 7 abstentions.

**Resolved** - That the progress and issues arising from the continued work on the Financial Action Plan be noted.

**30. Appointment of Returning Officer and Monitoring Officer**

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Mann,

- a) "Approve the designation of the statutory post of Returning Officer, Acting Returning Officer and Electoral Registration Officer to the role of Chief Operating Officer;
- b) Note the decision by the commissioners to appoint and designate Stephen Taylor as Monitoring Officer from 1 October 2022."

The recommendations were put to the vote and carried with 34 votes for and 2 abstentions.

**Resolved -**

- a) That the designation of the statutory post of Returning Officer, Acting Returning Officer and Electoral Registration Officer to the role of Chief Operating Officer be approved;
- b) That the decision by the commissioners to appoint and designate Stephen Taylor as Monitoring Officer from 1 October 2022 be noted.

**31. To consider Motions submitted under procedure Rule 14.**

**A) Supporting Kinship Care in Slough**

It was moved by Councillor Swindlehurst,  
Seconded by Councillor Hulme

"This Council notes-

- Kinship Care (also known as family and friends care) is any circumstances where a child is being raised by a friend or family member other than their parent.

This Council believes that-

- That Kinship Care should always be considered as an option, when there are concerns about whether a child can remain at home.
- Central Government should ensure that Kinship households are adequately supported including financially and through properly resourced local authorities to deliver local support.

Slough Borough Council therefore resolves:

- To listen to the voices of Kinship Carers and the children that they are raising when developing new policies.
- To work with our local authority Children's Company (SCF) to ensure there is information for current and prospective Kinship Carers about the options available to them and any support that they may be eligible for, including access to benefits advice, therapeutic support via the Adoption

## **Council - 22.09.22**

Support Fund and where they can access specialist independent legal advice.

- To work with children and families and SCF to draw on best practice in formulating future local policy and practices relating to Kinship Care, including support services and financial support, ensuring these are consistent with legislation, statutory guidance, recent case law and Local Government and Social Care Ombudsman decisions.
- To ensure Kinship Carers are included in recognition and awareness activities, along with the children that they are raising.
- To write to the Secretary of State for Education to urge the government to implement the recommendations the Independent Review of Children's Social Care in England has made for investment in early help for families and unlocking the power of family networks.”

The motion was put to the vote and carried with 34 votes for and 2 abstentions.

## **Resolved -**

This Council notes-

- Kinship Care (also known as family and friends care) is any circumstances where a child is being raised by a friend or family member other than their parent.

This Council believes that- ·

- That Kinship Care should always be considered as an option, when there are concerns about whether a child can remain at home.
- Central Government should ensure that Kinship households are adequately supported including financially and through properly resourced local authorities to deliver local support.

Slough Borough Council therefore resolves:

- To listen to the voices of Kinship Carers and the children that they are raising when developing new policies.
- To work with our local authority Children’s Company (SCF) to ensure there is information for current and prospective Kinship Carers about the options available to them and any support that they may be eligible for, including access to benefits advice, therapeutic support via the Adoption Support Fund and where they can access specialist independent legal advice.
- To work with children and families and SCF to draw on best practice in formulating future local policy and practices relating to Kinship Care, including support services and financial support, ensuring these are consistent with legislation, statutory guidance, recent case law and Local Government and Social Care Ombudsman decisions.
- To ensure Kinship Carers are included in recognition and awareness activities, along with the children that they are raising.
- To write to the Secretary of State for Education to urge the government to implement the recommendations the Independent Review of Children's Social Care in England has made for investment in early help for families and unlocking the power of family networks.



**B) Awareness Suicide Prevention Month**

It was moved by Councillor Akram,  
Seconded by Councillor Kelly,

“This Council acknowledges the importance of Suicide Prevention Month and resolves to help to raise further awareness on suicide prevention.

We therefore resolve to:

- Encourage Council owned companies, contractors and partners to join the Council as members of the National Suicide Prevention Alliance; to improve awareness of mental health support, resilience networks and support offers to tackle the stigma associated with mental health issues and support suicide prevention across the borough for all ages ranges and communities;
- Write to the minister of State (Minister for Care and Mental Health) to ask that they review the national ambition of a 10% annual reduction in light of the current context for suicide prevention as set out by NCISH and others and aim for a "Zero Suicide" style approach focussed on the priority groups identified at national, Regional and local levels."

The motion was put to the vote and carried with 35 votes for and 2 abstentions.

**Resolved –**

This Council acknowledges the importance of Suicide Prevention Month and resolves to help to raise further awareness on suicide prevention.

We therefore resolve to:

- Encourage Council owned companies, contractors and partners to join the Council as members of the National Suicide Prevention Alliance; to improve awareness of mental health support, resilience networks and support offers to tackle the stigma associated with mental health issues and support suicide prevention across the borough for all ages ranges and communities;
- Write to the minister of State (Minister for Care and Mental Health) to ask that they review the national ambition of a 10% annual reduction in light of the current context for suicide prevention as set out by NCISH and others and aim for a "Zero Suicide" style approach focussed on the priority groups identified at national, Regional and local levels.

**32. To note Questions from Members under Procedure Rule 10**

None received.

Chair

(Note: The Meeting opened at 7.00 pm and closed at 8.25 pm)

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**Slough Borough Council**

<b>Report To:</b>	Council
<b>Date:</b>	22 November 2022
<b>Chief Officer:</b>	Stephen Taylor, Monitoring Officer
<b>Contact Officer:</b>	Alexander Polak, Head of Governance and Scrutiny (Statutory Scrutiny Officer)
<b>Ward(s):</b>	ALL

**PART I**  
**FOR DECISION****RECOMMENDATION OF THE OVERVIEW AND SCRUTINY COMMITTEE FROM ITS MEETING HELD ON 17<sup>TH</sup> NOVEMBER 2022 - SCRUTINY IMPROVEMENT REVIEW****1. Summary and Recommendations**

The Secretary of State has intervened in Slough Borough Council (SBC), and one of their Directions is that the Council must make a plan to improve its scrutiny function. The Centre for Governance and Scrutiny, the UK's leading organisation for this type of work, has completed a review of SBC's scrutiny function (Appendix A) and made recommendations (section 3 of Appendix A). This report proposes that the Committee and then Full Council endorse these recommendations and take steps to implement changes to the scrutiny function as soon as practicable. A Member Working Group is proposed to steer how these recommendations are implemented over the coming months.

**Recommendations:**

- a) That the actions to date and next steps in the Scrutiny Improvement Action Plan at Appendix B be noted.
- b) That the findings of the Centre for Governance and Scrutiny's Scrutiny Improvement Review at Appendix A be noted.
- c) That the recommendations found in section 3 of the Scrutiny Improvement Review Feedback Report Letter be endorsed.
- d) That a Scrutiny Working Group be reconvened in order to make recommendations to council, as soon as practicable ahead of the May 2023 elections, about the detailed changes to Overview and Scrutiny, plus associated constitutional changes.

**Reason:** To properly receive, in public, this important external review of a key part of Slough Borough Council's democratic governance arrangements, and to make sure swift action is taken in response.

**Commissioner Review**

*"No programme for improvement of the scrutiny function was presented for approval by Commissioners as required by the Direction in the time specified. Commissioners were*

*aware of the commissioning of the CfPS report and welcome its findings and recommendations. This report is a useful update but the Council needs to make urgent progress in setting out a resourced plan as Directed and ensure it has appropriate approvals and is regularly monitored.”*

## **2. Report**

### Why was a review commissioned?

- a. In October 2021 an [external assurance review](#) of Slough Borough Council was published. This included a [governance review by Jim Taylor](#) for the Secretary of State, dated September 2021. This included the following statement:

“The scrutiny function is under resourced and there is no permanent statutory scrutiny officer. All seven meetings of Scrutiny Committees were cancelled in June and July of 2021. The interim Head of Democratic services left the organisation in July 2021. Elected Members indicate they require additional scrutiny resource to carry out their function effectively. Members state that scrutiny reports are complex and hard to interpret, and it is difficult for lay people to challenge. It is acknowledged that some reports have not been given enough scrutiny. Slough Children First refer to an inadequate focus on their activity within the scrutiny function. Members also state that there is has been an ‘erosion of trust’ with officer reports, considering ‘what has happened’. There is no scrutiny forward plan.”

- b. In December 2021 the Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”) made [Directions to Slough Borough Council](#) under the Local Government Act 1999 which included the following [in section 3 of Annexe A](#):

“In the first three months prepare and agree an Improvement Plan to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), with resource allocated accordingly, and as a minimum, the following components:

An action plan to achieve improvements in relation to the proper functioning of the scrutiny function...”

- c. A Service Improvement Plan was created including various actions to improve the functioning of scrutiny, many of which are complete such as:
- provision of scrutiny training to councillors and officers, and report-writing training for officers;
  - The Head of Service role for the function has been re-filled and made Statutory Scrutiny Officer;
  - Re-provision of scrutiny officer capacity has been made in the Democratic Services budget, recruitment of which is underway;
  - A Work programming exercise was completed with all scrutiny members;
  - Three focused Task & Finish groups have been launched, including one focused on Slough Children First; and
  - An improved budget scrutiny process has been agreed with Scrutiny Members and is underway.

- d. At the time of the Jim Taylor report, Slough Borough Council also commissioned the Centre for Governance and Scrutiny (CfGS) to do a review of its scrutiny function. This review was carried out after commissioners had then been appointed.
- e. CfGS describes itself as ‘a social purpose consultancy and national centre of expertise, whose purpose is to help organisations achieve their outcomes through improved governance and scrutiny’. Since the creation of overview and scrutiny in local government over 20 years ago, they have been the recognised centre of excellence in the UK for Overview and Scrutiny, and good governance in local authorities.

#### Findings of the review

- f. The Centre for Governance and Scrutiny’s draft findings have fed into training delivered to Scrutiny Members during the course of this year. Now, as we approach the May 2023 all-out elections, the final version of their report is being published, at appendix A.
- g. The CfGS report includes, in its section 3, a number of recommendations which are considered advisable for the further improvement of SBC’s scrutiny function. The recommendations are not binding, but they are evidenced, authoritative and public.
- h. The report includes an evidence-based description of issues relating to behaviour, skills, knowledge and practice of both officers and members, in various ways, in relation to scrutiny. The report is self-aware that it represents a moment in time and it is likely that members and officers will be aware of other issues or areas of strength in the system which are not included. For this reason, SBC’s action plan for the improvement of scrutiny may include other measures as well as those identified by CfGS.

#### The Council’s response to the review

- i. While the council can expect to shape its own scrutiny function in light of the recommendations from CfGS, any significant deviation from these recommendations would need to be supported by an appropriately similar weight of evidence.
- j. The recommendations made by CfGS include some changes to the structure and focus of SBC’s scrutiny function which are a strong and direct response to the council’s current financial and organisational predicament, as represented by the current intervention by the Secretary of State. As their report explains, some of these changes may be regarded as temporary ie for the duration of this intervention, so Members may expect to review scrutiny again towards or at the end of the council’s recovery journey.
- k. It should be expected that the commissioners appointed by the Secretary of State will pay close attention to both the recommendations and the implementation of these recommendations when they review and report on the Council’s progress against the Direction specified at section 2.1 above.
- l. A Scrutiny Improvement Action Plan is included as a background paper for the other report on today’s Overview and Scrutiny Committee agenda. It is further reproduced, for convenience, at appendix B of this report. It takes account of the

work done during the year and notes the CfGS recommendations pending Council's consideration of them. It does not presuppose the council's endorsement of the CfGS recommendations.

### Scrutiny Member Working Group

- m. This report recommends that Council be asked to convene a Scrutiny Member Working Group. Such a group carried out a review of scrutiny arrangements in 2020-2021. Its remit in this case would be to consider the Council's position on the CfGS recommendations in conjunction with other information about scrutiny best practice (eg as collected by the previous working group in 2020-21) and to make detailed proposals back to Full Council for implementation as quickly as possible.
- n. The working group's considerations may include whether to make proposals for shadow arrangements during the life of the current council (see 2.17, Jan-April), as well as for new structures and ways of working from May 2023 onwards.
- o. This informal working group would be comprised of:
  - The Chairs of the four current scrutiny committees/panels
  - Four members of the Cabinet (nominated by the Leader)
  - The Leader of the Opposition (or their nominee)
- p. The Members Panel on the Constitution will of course also need to have a role in regard to any proposed constitutional changes.

### Proposed next steps

- q. The proposed next steps are:

**17 November 2022** – Scrutiny committee endorsement of CfGS recommendations, and recommendation on to Full Council

**22 November 2022** – Full Council endorsement of CfGS recommendations and agreement to reconvene Scrutiny Members Working Group

**December 2022** – Scrutiny Members Working Group meet to consider detailed implementation proposals including timeline for implementation.

**Jan-April 2023** – option for shadow arrangements to be established ahead of May 2023 elections, possibly via recommendation to Council early in the new year. To be considered by Scrutiny Members Working Group. This could include the O&S Committee operating as if it were the future Corporate Improvement Scrutiny Committee, while the current three panels use the remainder of their meeting time to complete their existing work on the budget, complete their existing Task & Finish groups, and to make work programme recommendations to be picked up after the May election.

**May 2023** – implementation of new scrutiny arrangements in full, including any associated constitutional amendments

**May-September 2023** – induction of new Council to include support and development for Councillors and officers re: new Overview and Scrutiny arrangements

### 3. Options considered

- a. Members have options for two main areas of the recommendations, as follows.
  - 1) Whether and in what manner to endorse the recommendations:
    - a) **Endorse the CfGS recommendations to Council**
    - b) Endorse the CfGS recommendations to Council but with evidence-based amendments
    - c) Do not endorse the CfGS recommendations to Council
  - 2) Whom Council should ask to take forward the detailed work:
    - a) **Recommend that Council convene the Scrutiny members Working Group to take forward the detailed work for implementation and to make future recommendations to Council**
    - b) Recommend that Council asks a different member group to carry out this work,
    - c) Recommend that officers make recommendations to Council without further member input.

The recommended options have been highlighted **in bold**.

### 4. Implications of the Recommendation

- a. Financial Implications
  - i. Full consideration of financial impacts of any changes to the council's scrutiny arrangements will need to accompany the future reports recommending those specific changes. The act of endorsing the recommendations of or recommending them to Council does not carry any financial implications.
  - ii. However, for an indication of the types of issues likely to arise when the implementation of the recommendations is pursued:
    1. The budget for reinstating a single scrutiny officer in the council, based in Democratic Services, has already been agreed.
    2. There would be resource implications for a change of the style of scrutiny from being primarily in-committee with four committees, to being more balanced between a single main committee and a strong programme of Task & Finish work, as proposed by CfGS. There is likely to be an opportunity cost in the time of officers across the council in servicing those T&Fs as well as a change in the nature of the work done by Democratic Services in order to support them. CfGS proposes limits to the scale of T&F work at any one time, which may help ensure this work can be delivered within existing resources (including the new scrutiny officer capacity) but this would need assessment. Currently the service is in a halfway position, where a number of T&F groups have already been started but there are still four committees as well. While doing both in this

way can work in the very short term it would not be sustainable from an officer resource perspective even once the scrutiny officer role is recruited.

3. An Independent Remuneration Panel would need to be convened to consider and make recommendations on whether any change to the scrutiny structure should change the Special Responsibility Allowances (SRAs) associated with leadership positions in the scrutiny function. This may include the Chair and Vice Chair of the proposed Corporate Improvement Scrutiny Committee and potentially Chairs of T&F groups. The three current Scrutiny Panel Chairs each receive an annual Special Responsibility Allowance of £3,291, totalling £9,873 a year between them. Vice Chairs of Scrutiny Panels (and Chairs of T&F groups) do not currently receive a Special Responsibility Allowance.

b. Legal Implications

- i. Full consideration of legal impacts of any changes to the council's scrutiny arrangements will need to accompany the future reports recommending those specific changes. The act of endorsing the recommendations of or recommending them to Council does not carry any legal implications.
- ii. However, for an indication of the types of issues likely to arise when the implementation of the recommendations is pursued:
  1. Overview and scrutiny committees were established in English and Welsh local authorities by the [Local Government Act 2000](#). They were intended as a counterweight to the new executive structures created by that Act (elected mayors or leaders and cabinets). Their role was to develop and review policy and make recommendations to the council.
  2. Overview and scrutiny committees have statutory powers to scrutinise decisions the executive (or 'cabinet') is planning to take, those it plans to implement, and those that have already been taken/implemented. Recommendations following scrutiny enable improvements to be made to policies and how they are implemented. Overview and scrutiny committees can also play a valuable role in developing policy.
  3. Overview and scrutiny committees have accumulated a number of powers to undertake 'external scrutiny' of specific additional bodies outside the council, including scrutiny of health bodies and authorities, and scrutiny of crime and disorder strategies.
  4. Provisions exist for the co-option of representatives from outside the Council onto scrutiny committees when they are considering certain specific issues, for example representatives of faith groups and school governors when education matters are under consideration.



5. [Statutory guidance on Overview and Scrutiny in Local and Combined Authorities](#) was published in 2019 by the then Minister for Local Government, Rishi Sunak, and this should be given due regard when designing any future arrangements.
6. Any arrangements put in place should take account of all of the above. Current overview and scrutiny legislation recognises that authorities are democratically-elected bodies who are best-placed to determine which overview and scrutiny arrangements best suit their own individual needs, and so gives them a great degree of flexibility to decide which arrangements to adopt. The CfGS recommendations are compatible with all of the above.
7. A useful overview of Scrutiny's powers and duties can be found in the [2019 House of Commons Library briefing paper 06520: Overview and Scrutiny in Local Government](#).
8. 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.
9. Annex A of the directions set out the action the Council is required to take. This included a requirement for an improvement plan with a number of specific action plans. The improvement plan was approved by full Council in May 2022 with a series of recovery themes. The scrutiny improvement action plan was part of this plan, with the detail included in the action plan appended at Appendix B. The action plan will be regularly reviewed and updated to take account of progress and agreed next steps.
10. Annex B of the directions set out the functions to be exercised by the Commissioners. These are held in reserve and only exercised where needed. The functions include "All functions associated with the governance and scrutiny of strategic decision making by the Authority". The Commissioners have not sought to exercise their powers in relation to this matter, however careful attention should be given to any advice of the commissioners set out in this report.

c. Risk management implications

- i. Full consideration of risk management implications of any changes to the council's scrutiny arrangements will need to accompany the future reports recommending those specific changes. The act of endorsing the recommendations of or recommending them to Council is primarily associated with the following risks:
    - Reputational risk: if the council is not seen to address or take seriously these evidence-based external recommendations, or if the council is otherwise not considered to be properly addressing the direction made by the Secretary of State to improve its scrutiny function, there is a strong risk of attracting public criticism and/or censure, including from the commissioners appointed by the Secretary of State.
      - Mitigation: This risk may be mitigated by endorsing the CfGS recommendations and moving swiftly to design and implement scrutiny arrangements for SBC which take account of them.
    - Governance risk: Slough Borough Councillors have a duty and responsibility to ensure that the council functions effectively and provides best value for its residents. Overview and Scrutiny is an important part of this, providing a critical check and balance to decision-makers and allowing all councillors to play a part in shaping policy. Various reports and inspections over recent years, including the one in Appendix A, have raised concerns or issues about the effectiveness of this function. If it is not improved then this may contribute to a failure of the council to meet its responsibilities at a fundamental level ie balancing its budget while providing statutory services for the residents of Slough Borough Council.
      - Mitigation: This risk may be mitigated by endorsing the CfGS recommendations and moving swiftly to design and implement scrutiny arrangements for SBC which take account of them.

d. Environmental implications

- i. Full consideration of environmental impacts of any changes to the council's scrutiny arrangements will need to accompany the future reports recommending those specific changes. The act of endorsing the recommendations of or recommending them to Council does not carry any environmental implications.

e. Equality implications

- i. Full consideration of equality impacts of any changes to the council's scrutiny arrangements will need to accompany the future reports recommending those specific changes. The act of endorsing the recommendations of or recommending them to Council does not carry any equality implications. Effective scrutiny can play a key role in ensuring the Council is properly complying with its equality duties and this should be considered when identifying a work programme of activity.

## **5. Comments of other Committees**

The report will be considered by the Overview and Scrutiny Committee at its meeting on 17<sup>th</sup> November 2022 and any significant comments will be reported at the Council meeting.

## **6. Appendices**

**Appendix A** – Centre for Governance and Scrutiny, Scrutiny Improvement Review, Feedback Report Letter, November 2022

**Appendix B** – Scrutiny Improvement Action Plan

## **7. Background Papers**

None

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Centre for Governance and Scrutiny

# Scrutiny

## Improvement Review

Feedback Report Letter  
November 2022

Stephen Brown

Chief Executive  
Slough Borough Council

Dear Stephen,

I am writing to thank your predecessor for inviting the Centre for Governance and Scrutiny (CfGS) to carry out an evaluation of the Council's scrutiny function. This letter provides feedback on our review findings and offers suggestions on how the Council could develop its scrutiny process.

Background to the review:

Slough Council invited CfGS to advise and support the Council in a review of its scrutiny function to ensure it is effective in providing a quality contribution in accountability, shaping of policy and decision making, oversight of council delivery plans and overall improvement.

The review task was to check and test that scrutiny arrangements and effectiveness meet reasonable expectations of democratic accountability and that decision-making and overview and scrutiny is transparent, effective, and impactful.

The Council wants its overview and scrutiny structure to create the right framework to maximise its impact particularly in the context of its past apparent weaknesses and in light of the council's current set of considerable challenges. The Centre for Governance & Scrutiny, as the leading national governance and scrutiny organisation, was asked to support a review to help develop the Council's plans for the development of scrutiny as part of overall governance and council improvement.

Slough Council had not undertaken a comprehensive review of its scrutiny arrangements for some time and considered that this would now be a valuable exercise – both to assure its existing practice, and to challenge the organisation to undertake further improvements.

The Scrutiny Improvement Review is designed to explore the current strengths and challenges of scrutiny and to suggest ways to build and improve. It works in collaboration with members and officers to understand and construct such improvement.

## Scope & Methodology

This agreed format of the review was a 'step-back' review based on assessing the following:

- **Culture.** The relationships, communication and behaviours underpinning the operation of the overview and scrutiny process. This also involved the Council's corporate approach, organisational commitment, and status of scrutiny.
- **Member engagement.** Are members motivated and engaged? How do they participate, take responsibility, and self-manage their role?
- **Member skills and application.** Are skills up-to-date and can members participate fully or are there development gaps?
- **Information.** How information is prepared, shared, accessed and used in the service of the scrutiny function.
- **Impact.** Ways to ensure that scrutiny is effective, that it makes a tangible and positive difference to the effectiveness of the council, and to local people.

- **Focus.** How prioritisation, timeliness and relevance of the work programme and agendas lead to value-adding and productivity.
- **Structure.** Formats used by scrutiny to carry out its works and their effectiveness.

**The review framework consisted of:**

**Desktop work:** CfGS undertook a review of the current scrutiny arrangements, work programme, council forward plan, scrutiny papers and agendas involving two days of evidence gathering online. This provides an evidence base for the rest of the work.

**Scrutiny Conversations:** Conversations took place with members and officers in December 2021 and January 2022. CfGS met online with elected members and officers, including the Council Leader and Cabinet Members, Group Leaders, Scrutiny Chairs, members of the Scrutiny Panels, members of the Council's senior leadership team as well as member support and governance officers.

**Observation:** We observed several web/video recordings of the council's scrutiny meetings and reviewed key documents, which is a common theme of the evaluation task.

Our 'virtual on-site' review was carried out between December 2021 and January 2022. All conversations and observations were carried out online.

The review was conducted by:

- Lisa Smart – Associate, Centre for Governance and Scrutiny
- Ian Parry – Head of Consultancy, Centre for Governance and Scrutiny

The findings and recommendations presented in this letter are intended to advise SBC in strengthening the quality of scrutiny activities, increasing the impact of its outputs, and through its members, to develop a strong and shared understanding of the role and capability of the scrutiny function.

This review had started at the time HM Commissioners arrived in Slough and so captures the situation at that particular point in time.

## 1. Review Executive summary

1.1 The review found that the work undertaken by members within the scrutiny function had the potential to contribute to improving the lives of residents in Slough. Scrutiny members recognised the benefits that scrutiny can bring, and they dedicate time to the role and want to improve outcomes.

1.2 However, there was a recognition that the scrutiny function at the council needed to change and to improve, so that it could add value to decision-making, hold actions and decisions to account and provide oversight in the borough. Furthermore, change could aim to elevate scrutiny so that it is recognised as a strategic function and is used as a resource for corporate improvement. It must as a priority, play a key role in the council's recovery and improvement plans, helping to drive change through robust, collaborative scrutiny.

1.3 Recent changes to the scrutiny approach were welcomed by both members and officers. Members could reference examples where positive changes to scrutiny had made a tangible difference. For instance, through member briefings on budget proposals which gave members confidence to improve their line of questioning. Nevertheless, this review found that the improvement journey needs to be fundamental and move further and faster.

1.4 The majority of those interviewed believed that improvements are needed to make scrutiny more effective and give greater value, we therefore recognised that there is a level of buy-in at the council that improvement is essential.

1.5 The review identified several areas of concern in relation to the focus and purpose of scrutiny: cultural relationships, communication and both production and use of information. There were also weaknesses in the way scrutiny selects and prioritises its work, how recommendations are followed through (or not), and in the skills and proficiency of members which need updating. Scrutiny is currently not performing or delivering what the Council, or its residents need and urgent improvement is required.

1.6 We suggest changes to improve are planned in three stages:

1.6.1 To repurpose scrutiny to concentrate its focus on the delivery of the Council's recovery plan and to maintain robust scrutiny of the essential plans for Council services which may involve innovation, modernisation and re-provision. The risks attached to this highly challenging, complex period for the Council and its services will require strong and effective scrutiny which understands and is aligned to these priorities and potential risks. This is a temporary phase but may last for the duration of government intervention at least.

1.6.2 To upskill and develop members and officers to give them the capacity and capability to take on and respond to this challenge.

1.6.3 To encourage greater trust and challenge across the council, between politicians and officers and between political groups and essentially between scrutiny and Cabinet. In the interests of effective scrutiny and the ability of the council to address its challenges, greater collaboration, mutual respect and shared purpose is vital.



## **2. Review Key Findings**

### **2.1 Culture**

- 2.1.1** Members and officers throughout the course of the review expressed a desire for scrutiny to improve at Slough. Indeed, many people said they would welcome more robust, constructive and challenging scrutiny. This also included members in Cabinet positions and senior officers.
- 2.1.2** Several members and officers talked about recent changes that had been made both to the structure of, and processes within, scrutiny as being a clear positive step in the right direction, albeit a small one in the context of the improvement quest.
- 2.1.3** We noted the enthusiasm of members regarding recent changes to the approach to budget scrutiny. Members reported feeling more empowered to ask good questions following a very useful officer briefing. This may be indicative that relatively small initiatives can collectively make a difference.
- 2.1.4** Initiating and embedding the necessary change will require that ownership for change is accepted as a whole-council responsibility and endeavor. Through the course of our review conversations, it was often the case that causes, and blame, were deflected to other people within the organization, rather than accepting the need for change as a collective responsibility.
- 2.1.5** Cultural change within scrutiny also needs to be a collaborative undertaking. All members and officers who engaged with this clearly wanted to do their best for the residents of Slough and play their role in improving the borough and could effectively demonstrate their commitment.
- 2.1.6** Many members and officers were keen for committee chairs to take a firmer grip in meetings, to 'call out' poor behaviour, dissuade members from imposing individual casework items, prevent drifting off the agenda and avoid too much anecdotally based or repetitive contributions. Chairs need to feel empowered to take a firmer stance in the knowledge that they have the support and authority of the whole committee and wider council to do so.
- 2.1.7** There is also a need for chairs to lead in setting the operational culture and standards of the committee and ensure that acceptable levels of behaviour, respect and reasonable order are maintained. Importantly this should also include ensuring that scrutiny is a 'safe space' for constructive and robust challenge and, where necessary, for speaking truth to power.
- 2.1.8** The current standard of scrutiny chairing and leadership in committee needs to be better. This is not helped by the absence of development opportunities and support for chairs to acquire skills and to build their capacity and confidence in what is a challenging operating environment.
- 2.1.9** A reasonable number of members and officers talked about scrutiny in Slough as something of an ordeal and an experience to endure. It was often felt to be a negative experience and poor atmosphere in meetings which could result in officers avoiding meetings. Officers could often feel that although much effort was invested in preparation, the meeting itself saw little achievement or value-adding and that the experience for officers could be unnecessarily and overly challenging where a language and tone of 'them and us' (councillors and officers) and a lack of member-

officer trust could be recognised. Members also expressed a sense of underachievement in their committees, that their contributions and impact was therefore insufficient.

- 2.1.10** Members also reported that there was no sanction for this poor behaviour or meeting standards. There is, therefore, a clear responsibility and duty upon all members, including chairs to work constructively with officers to address this. They will need to work collectively to drive out mistrust and poor behaviours, and to set a positive direction for scrutiny.
- 2.1.11** Scrutiny, based on the evidence of its agendas and work programmes, seems to operate in its own, separate universe and is not sufficiently aligned to the core priorities and decision-making of the council or the activities of the Cabinet. More importantly it is not currently sufficiently focused on scrutinising the council's critical path of recovery and stability.
- 2.1.12** Unsurprisingly therefore scrutiny is not currently viewed as a key part of council governance and an essential partner in the council's plans for recovery. It will need to work hard to earn a higher level of recognition and respect and to achieve the position of *valued asset*.
- 2.1.13** If improvements can be achieved, stronger scrutiny will inevitably lead to better decision making, stronger policy development and greater assurance through very challenging times.
- 2.1.14** In committee, the exchanges between the Cabinet and scrutiny members and between members and officers should be constructively challenging. Cabinet members should often find the experience to be tough and challenging, but always useful and constructive. However, too often in Slough, words like "aggressive", "combative" and "rude" along with "lacking in trust" regularly popped up in our review conversations with both members and officers. Members and officers should be able to trust one another and work together as one team.

## **2.2 Member Engagement**

- 2.2.1** The review heard anecdotally that members were not thoroughly and consistently reading their committee papers in advance of meetings. This clearly adds to the weak performance of members in meetings. Meeting webcasts also provided examples where members were seeking information which was clearly contained in the meeting papers or answered earlier in the meeting. These factors may indicate a lower-than-expected level of member engagement.
- 2.2.2** We also note that five councillors did not attend pre-agreed meetings to discuss the current scrutiny arrangements and to gain their views for the 'field work' part for the review. This level of engagement was much lower than we would normally expect in comparison to our experience in carrying out improvement reviews in other councils. We suggest this may also be indicative of member interest and motivation.
- 2.2.3** Some members suggested that a reduced level of officer resources for scrutiny could be a contributory factor in scrutiny's limited productivity. There was some support for the scrutiny officer post which was removed recently to be re-established. Whilst there is not always a clear correlation between the level of officer support and the quality of output, a specialist scrutiny officer could potentially provide the level of advice and support needed to assist scrutiny in delivering greater impact.

- 2.2.4** The tone of scrutiny meetings observed and reported was often hostile and interrogatory. One senior member described it as “feeling like you’re being interviewed under caution”. Good scrutiny is often robust, but there is clearly modelling of behaviour that has led some members to believe that they need to be intimidating and forceful to be effective. This delivery is often extended towards relatively junior officers, which we would strongly suggest is unacceptable in any context.
- 2.2.5** Some members also seem to believe that scrutiny is an ideal opportunity to gain attention for their ward casework issues or to pursue matters which are not directly on the agenda. Local insight is a vital and valuable part of scrutiny. Members should also be able to influence agendas where issues are of wide community interest. However, this, we suggest, needs to be part of an agenda setting process, otherwise ‘slipping’ issues into the discussion in a live meeting can be highly disruptive.
- 2.2.6** Again, anecdotally the review received comments about the relationships and dynamics within the main political group and its working relationship with opposition members. A good level of cross-party collaboration is always a positive feature of effective scrutiny, and the example should be set by political leaders. We would therefore encourage open and positive dialogue and co-operation.
- 2.2.7** In general, CfGS’s experience in other well-performing councils is that Cabinet decision makers welcome strong scrutiny as a constructive and useful experience and a positive aspect of their role and duty to be accountable. Scrutiny members should be working together in a common mission. And in this context the formal role of opposition councillors also working as independent-minded scrutineers, would add further credibility and authority to the scrutiny function and would be in line with established good practice.
- 2.2.8** The review heard some concerns that there was no formal role for opposition members within the current scrutiny structure. The controlling group appoints its own members to these roles. There is no national guidance or convention for scrutiny appointments, such as chairs or vice chairs, to be shared with opposition groups. Overall what has a bearing on scrutiny effectiveness is the capability of the chairs to lead scrutiny, to establish its authority and to create a safe and inclusive environment for robust scrutiny to happen, whatever their political alignment.
- 2.2.9** There are several reasons why scrutiny at Slough has not been functioning as well as it could and should. Responsibility does not lie solely with officers or solely with members. For things to improve, the leadership of the council will also need to own the issue and drive the implementation of the recommendations within this review letter.
- 2.2.10** When members of the Cabinet and senior officers are asked to attend scrutiny, scrutiny committees need to be clearer and more explicit about what the aims and objectives are of the session (including clarity over the content of any reports and presentations required). This would improve scrutiny’s impact by creating a shared understanding.
- 2.2.11** It should be expected that Cabinet members present to scrutiny, with sufficiently senior officers accompanying them (to provide answers to technical questions). As officers advise and members decide, scrutiny should want to challenge the decision makers.

## **2.3 Member skills and application**

- 2.3.1** Openness to undertake specific scrutiny-related training was evident across the council, although some members felt they did not need any themselves.
- 2.3.2** Members can be unsure about their role and whilst contributions vary our observations suggest that Members are unclear about their role as scrutineers, so input is varied and often disjointed or incoherent. The overall effect therefore lacks any meaningful achievement. This is perhaps more apparent when external guests or partner organisations are involved – this can be a quite random experience and must at times feel surreal or lacking in purpose for those invited to scrutiny. Members need to be more professional and prepared, and present a more professional and prepared experience in these circumstances, which may also require member development.
- 2.3.3** There is currently a range of experience, skills and abilities across the membership of the council, including some relatively new councillors. It is clear some skills training and specific development for members would be beneficial. We would suggest that this is targeted and specialised and not ‘general’ training to gain maximum benefit. Scrutiny chairs in particular would be a good place to invest in more specialised 1-2-1 coaching support. Growing effective chairing and leadership in scrutiny through this type of training can often be a significant agent for change.

## **2.4 Information**

- 2.4.1** Our field work included reviewing the reports and information provided to scrutiny and how this was designed and presented to support the scrutiny objective. We suggest that more thought and collaboration is needed. Often reports are long and technical and can appear to be all-encompassing rather than a clear asset which help to focus scrutiny enquiries and questions. Some councillors expressed a frustration that reports for meetings were often circulated late, and, in some cases, used overly technical language that was less accessible to non-subject matter experts.
- 2.4.2** This can be due to a poor or non-existent brief by scrutiny as to its requirements and therefore information provided will second guess what is required. Or due to officers being reluctant to provide a bespoke product as scrutiny may not give it a decent hearing and the effort feels wasted. Either way a clearer understanding between officers and scrutiny on the necessary information, format and presentation would be very helpful. It may often reduce the time and effort required in preparation as smaller, more simple reports or simply a Q&A session with the Cabinet member might meet the needs of scrutiny.
- 2.4.3** We commonly hear the accusation that members do not read reports in advance of meetings. Some Slough scrutiny councillors are also clearly guilty of this. Members were observed asking questions which had already been asked and answered and repeatedly coming back to topics that had been discussed at previous meetings but were not on that meeting’s agenda. We saw evidence of these behaviours in the webcasts of previous scrutiny meetings.

## **2.5 Impact**

- 2.5.1** There appeared to be no structured or planned way for senior scrutiny members and the Cabinet members to meet to discuss how greater collaborative work could

increase the quality of scrutiny and assist the Cabinet in its work. We were advised that some informal conversations took place, which is a good start.

- 2.5.2** A regular, perhaps quarterly, meeting to discuss work programming, policy development and future key decisions would greatly help the usefulness and impact of scrutiny.
- 2.5.3** Members are able to reference pieces of scrutiny work which they felt had been constructive and useful. These included task & finish work on food poverty, homelessness and making Slough more disabled-friendly. We also reviewed these pieces of work and concur. Members involved in these T&F groups were uncertain and some felt disappointed that their work and recommendations to Cabinet had not received a reply or felt that they had not had any noticeable impact.
- 2.5.4** We note that these pieces of work did go through the council's formal process and the recommendations were accepted. We also noted that some members who were involved in the task groups were unaware of the subsequent stages of their report and potential impact. We would like to therefore suggest that the tracking, communication and reporting of task and committee work is considered and improved where necessary.

## **2.6 Focus**

- 2.6.1** In general members and officers did not feel that scrutiny work programming was meeting their needs and, more importantly, the needs of the council and residents. More time and attention by members plan the work programme and to ensure that this was focused, priorities and aligned with the Council's mission and key deliverables. This would help scrutiny to play a more productive, valuable and impactful role.
- 2.6.2** Our assessment of scrutiny work programming in Slough is that this is an area that requires significant and urgent strengthening.
- 2.6.3** Given the current situation we would expect work programmes to be revisited and realigned to focus on the key priorities for the council, especially and almost exclusively the recovery and improvement plans, its immediate and medium-term budget strategy and implications for critical areas of council services. We could not find any obviously identifiable golden thread connecting scrutiny with the council's corporate challenge and suggest that this is therefore a critical and immediate area for scrutiny development.
- 2.6.4** During our observation of scrutiny committee webcasts we were surprised by the often-used "Rule 30" which enables any member of the council to attend and speak at any committee meeting. Although this was at the discretion of the chair, and it can perhaps be argued how this might - in exceptional cases - be very useful, the regular use and perhaps misuse of such constitutional 'favour' is quite unusual and could become a source of unhelpful disruption. Especially since the way it is interpreted and exercised appears often inconsistent.
- 2.6.5** In general, we felt that member conduct was largely good. Yet, there are instances where behavioural aspects and mutual respect could be improved. Examples we observed include: members persistently making a point to officers in a tone which

could be described as aggressive; members leaving a meeting suddenly; chairs pointing out poor behaviour of some members but not others during the same meeting. This type of behaviour results in meetings becoming unfocussed and the overall impact of scrutiny being considerably diminished.

## **2.7 Structure**

- 2.7.1** Most, but not all, members and officers expressed some satisfaction with the recent changes to the structure of the scrutiny committees (one “main” scrutiny, three panels). There is a perceived difference in the relative status of these committees (expressed in the responsibility allowances and therefore the time, effort and complexity of the input expected from chairs), which may lead to a disparity in the attractiveness of the roles and influence member ambitions to fill them.
- 2.7.2** Conversations about pre-meetings were mixed. Some officers and members revealed a keenness for pre-meetings to take place, with just chair, vice chair and relevant officers in attendance, while others believed that pre-meetings should involve all committee members. Formally introducing pre-meetings will have obvious resource implications.
- 2.7.3** Scrutiny could benefit from more coordination and management of the scrutiny process from members. There are currently four committees (one committee, three panels) with nine members on each (total 36 seats, currently filled by 24 members). Relative to the total size of the council this could be streamlined further, especially in light of the priorities of the council now focused on its recovery.
- 2.7.4** Some members, who were interviewed, expressed that they felt that they served on too many committees. Members suggested that it was too much work to become sufficiently updated with the subject matter across all of these committees. Is there a potential to overload with detail rather than be streamlined and strategic?
- 2.7.5** Consideration should be given to the role of committees and their focus and productivity, especially in the present context of extensive change and challenge. We would therefore suggest that more be achieved with less. In the current circumstances we would strongly recommend that scrutiny is repurposed and becomes laser-focused on the crucial corporate priorities for the council. ‘Traditional’ multi-committee structures should be replaced, for as long as necessary, with a single, smaller, targeted and well-resourced Corporate Scrutiny Committee supported by up to 3 task and finish groups at any one time.
- 2.7.6** CfGS has observed this to work well in other challenged councils in the past, notably Northamptonshire County Council, where a single scrutiny committee worked effectively for several years to support the council’s financial survival strategy.

## **3. Recommendations for improvement**

- 3.1 To be effective scrutiny needs to be repurposed to fully align and integrate into the corporate plans for recovery. We therefore recommend that the scrutiny function will need to align its work closely to the finance, budget and commercial challenges that confront the Council, which will inevitably affect the way services are delivered within a tighter financial envelope, and to the risks that achieving this at sufficient pace can introduce.
- 3.2 We strongly recommend that the structure of the scrutiny function moves to a single Corporate Improvement Scrutiny Committee (CISC) and that its work programme and agendas are exclusively focused on the priority areas of council recovery plan, finance and improvement.
- 3.3 The Corporate Improvement Scrutiny Committee should meet on a monthly basis and its agenda should not exceed two substantive items which should both relate to the improvement plan. The CISC chair and vice chair should also meet on a regular monthly basis with the Leader and necessary officers to discuss and align the business of scrutiny with council priorities and recovery plans. The Council's chief executive may also join these meetings.
- 3.4 This Committee would benefit from a Chair and Vice Chair selected for their skills and experience. Both should receive immediate intensive 1-2-1 training and development support. And, given the additional workload and responsibility of the position of Chair and Vice Chair, the special responsibility allowance could be reviewed and set at an appropriate level.
- 3.5 We recommend that up to three task and finish panels be arranged at any one time to explore areas that link to the core work of the CISC or to other areas agreed by that committee as mission critical, high risk or supporting improvement. The panels should be politically proportionate where practicable, and membership should be drawn from non-executive-office-holding members.
- 3.6 Task & Finish groups should work to an agreed, well scoped and designed project plan which is time limited. Our suggestion would be a lifespan of 3 months or less and that a maximum total of 3 projects are live at any time. These groups should not assume that they are constantly active, but are driven by the clear objective of supporting council priorities. They should avoid mission drift into areas of member, or specific community, interest.
- 3.7 To strengthen the scrutiny function, we recommend that all members and officers strive to work together, in a culture of openness, mutual respect and trust to improve decision making, scrutiny and oversight.
- 3.8 We advise that the CISC members take some ownership of its work programme and build it in collaboration with the Cabinet and senior officers.
- 3.9 We also advise that the findings and recommendations of the CISC and the Task & Finish groups are considered by cabinet members and feedback given within a reasonable timescale. The outputs of scrutiny should be seen as a useful input to policy development and key decision making, in line with intentions of the Local Government Act 2000.
- 3.10 We recommend that in addition to an intensive support package for Chairs of Scrutiny, members need to be upskilled and have greater confidence to challenge, explore and intercede. Training should focus on general scrutiny good practice, effective scrutiny of council finances and acquiring analytical and

questioning techniques. In addition, political awareness training should be proactively provided for all senior officers and any officers who interact with scrutiny.

3.11 We would also advise that Cabinet members receive training on working with, and getting the best from, a collaborative relationship with scrutiny.

3.12 We advise that a review of the process for signing off papers be conducted to ensure that it is proportionate, supports their timely distribution and transparency. The introduction of pre-meetings before formal committee between all scrutiny members is also recommended to provide the space to identify priorities and agree questioning strategies.

3.13 We recommend that the Chief Executive should review the officer resource given to scrutiny to ensure that it is sufficiently senior and has the capacity to give the support members need, increasing that resource if necessary. We strongly advise that for scrutiny to play a full and active role in democratic accountability and supporting the council's critical improvement plans that it will require adequate support and expertise.

#### **4. Action planning – Member workshop**

4.1 As part of this review CfGS offer a member workshop which is a key part of the Scrutiny Improvement Review. This would be a CfGS-facilitated session to feed back the findings and recommendations of the review and to work with members to consider how they can play an active role in designing and implementing plans for improvement to the scrutiny process.

### **Thank you and acknowledgements**

We would like to thank the Chairs and Vice Chairs and Members of the council's Scrutiny Committees, the Leader, Cabinet Members and Officers who took part in interviews for their time, insights and open views.

Yours sincerely

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### **Review team**

Lisa Smart – CfGS Senior Associate Consultant

Ian Parry – CfGS Head of Consultancy



## APPENDIX B - Scrutiny Improvement Action Plan

Update – 3 November 2022

### Actions

The actions proposed below, in addition to the actions already completed and reported in the appendix, are designed to primarily address the following Directions:

*3.c. “An action plan to achieve improvements in relation to the proper functioning of the scrutiny function, to include a review of the Authority’s strategic risk register to make it fit for purpose”*

And to assist with addressing the following Directions:

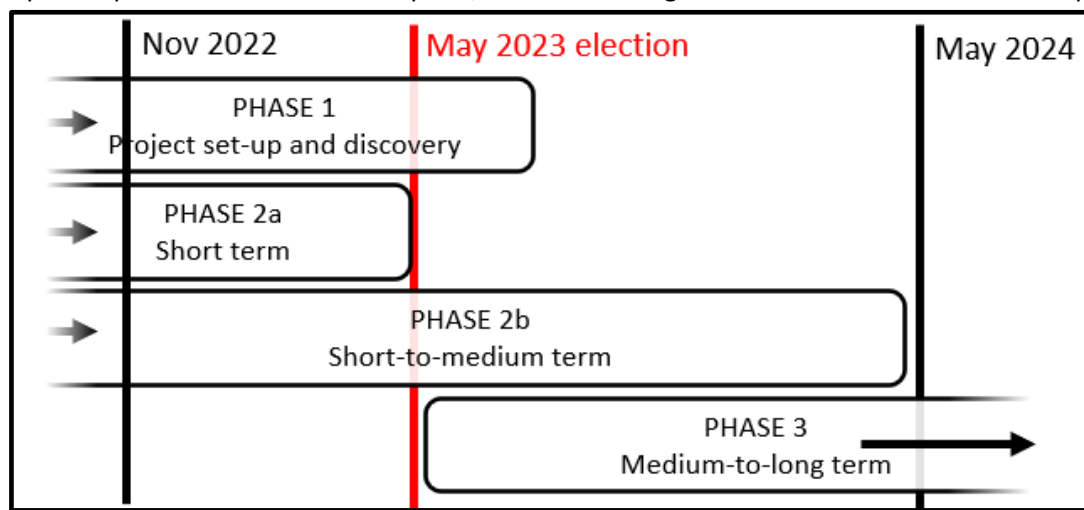
*3.b. “An action plan to achieve improvements in relation to the proper functioning of democratic services [understood to mean ‘democratic governance as a whole’], to include rapid training for council officers, a revised term of reference for the Audit and Corporate Governance Committee, and the agreement of an Annual Governance Statement for 2020-21.”*

*5. “In the first six months devise and then implement a programme of cultural change to rebuild trust between officers and members, to the satisfaction of the Commissioners. This should make sure both Members and Officers understand the scale of the challenge and their respective roles in driving improvement and the way in which the Authority and its activities are regulated and governed and the way in which this is monitored, and breaches rectified.”*

*7. “In the first six months take steps to enable better and evidence-based decision making, including enhancing the data and insight functions to enable better evidence-based decision making.”*

### Timescales

Full project and resource planning will be part of phase 1. Until this is complete, the timescales given are broad and indicative. All phases are expected to overlap.



No.	Headline Action	Detailed actions	Action Owner	Indicative timescale/priority of future actions
1.	Set up project management and reporting arrangements	<ul style="list-style-type: none"> <li>• Align plan, materials and reporting with whole-council approach to recovery action planning and reporting</li> <li>• Seek programme/project management resource</li> <li>• Create informal 'Democratic Governance Improvement Group' chaired by Monitoring Officer, populated by key governance roles across the council and action owners from this plan, to collaborate on, oversee and propel delivery of this plan</li> <li>• Assess baseline and benchmark via eg survey of staff and members</li> </ul>	Monitoring Officer	PHASE 1
2.	Respond to CfGS review in relation to reorganising scrutiny arrangements	<p><b>Action to date:</b></p> <ul style="list-style-type: none"> <li>• <i>Commissioned Centre for Governance and Scrutiny to undertake a review of scrutiny function.</i> <ul style="list-style-type: none"> <li>○ <i>Draft report received and reviewed at officer level, initial actions taken eg training based on draft findings</i></li> </ul> </li> <li>• <i>Member training delivered based on early draft findings</i></li> </ul> <p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>• Publish the CfGS report and linked officer report</li> <li>• Establish which member/s will lead on the development of the scrutiny function</li> <li>• Work with members to review and develop these proposals for Slough, bringing a report to Full Council as necessary for any associated constitutional changes.</li> <li>• Implement changes as soon as possible – eg from January 2023 if practicable, in order to address current issues asap and to build momentum and good practice in advance of election and induction in May 2023.</li> <li>• Key CfGS recommendations: <ul style="list-style-type: none"> <li>○ move to a single, monthly Corporate Improvement Scrutiny Committee (CISC) <ul style="list-style-type: none"> <li>▪ work programme and agendas... exclusively focused on the priority areas of council recovery plan, finance and improvement</li> <li>▪ agenda should not exceed two substantive items which should both relate to the improvement plan.</li> </ul> </li> </ul> </li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	<p>PHASE 1</p> <p>PHASE 1</p> <p>PHASE 2a</p> <p>PHASE 2a</p>

No.	Headline Action	Detailed actions	Action Owner	Indicative timescale/priority of future actions
		<ul style="list-style-type: none"> <li>▪ Commissions up to 3 time-limited T&amp;Fs at once, clearly aligned to council priorities.</li> <li>○ CISC chair and vice chair should also meet on a regular monthly basis with the Leader and necessary officers to discuss and align the business of scrutiny with council priorities and recovery plans</li> <li>○ Scrutiny training for chairs and all scrutiny members to focus on general scrutiny good practice, effective scrutiny of council finances and acquiring analytical and questioning techniques.</li> <li>○ political awareness training for all senior officers and any officers who interact with scrutiny.</li> <li>○ Training for Cabinet Members on working with and getting the best from a collaborative relationship with scrutiny</li> <li>○ review of the process for signing off papers be conducted to ensure that it is proportionate, supports their timely distribution and transparency</li> <li>○ introduce pre-meetings before formal committee between all scrutiny members to provide the space to identify priorities and agree questioning strategies</li> <li>○ Chief Executive should review the officer resource given to scrutiny to ensure that it is sufficiently senior and has the capacity to give the support members need, increasing that resource if necessary</li> <li>○ Hold CfGS-facilitated session with members to action plan from the findings of the review.</li> </ul>		
3.	Formulate a cohesive work programme for scrutiny, tightly focused on scrutiny of the council's plans for financial and organisational recovery and progress against those plans.	<p><b>Action to date:</b></p> <ul style="list-style-type: none"> <li>• <i>Work programming events held in-year with officer and member involvement</i></li> </ul> <p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>• Formulate a cohesive work programme for scrutiny, tightly focused on scrutiny of the council's plans for financial and organisational recovery and progress against those plans, in line with the CfGS recommendations.</li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	PHASE 2a

No.	Headline Action	Detailed actions	Action Owner	Indicative timescale/priority of future actions
4.	Re-instate regular all-member briefings outside of formal committee settings	<ul style="list-style-type: none"> <li>• Propose regular programme of ‘all-member scrutiny briefings’ to improve all members’ knowledge and connection to the business of the council, increase scrutiny bandwidth and take ‘for information/learning’ items out of committee setting allowing better prioritisation of impactful items.               <ul style="list-style-type: none"> <li>○ Populate forward plan of briefing items</li> <li>○ List briefings in Corporate Schedule and alongside scrutiny work programmes, for visibility and ownership by senior officers and members</li> <li>○ Create programme of 10-minute bitesize learning sessions at the outset of each 20 min briefing, with 30 mins for questions</li> <li>○ Create library of those sessions which can be recorded for the benefit of members not able to attend</li> </ul> </li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	PHASE 2a
5.	Elevate and support the role of the Chair of Overview & Scrutiny	<ul style="list-style-type: none"> <li>• Provide the Chair of O&amp;S with proper internal and external support for the role including an LGA-provided mentor and regular meetings with Statutory Scrutiny Officer and lead officers.</li> <li>• Review the Special Responsibility Allowance attracted by the Scrutiny Chair position and other scrutiny lead roles, via an Independent Remuneration Panel</li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	PHASE 2a
6.	Improved mechanisms for holding Cabinet Members to account	<ul style="list-style-type: none"> <li>• Review strength of cabinet connections with scrutiny eg regularity of attendance, opportunities for portfolio updates etc (perhaps via new all-member briefings)</li> <li>• Cabinet Members to be expected to attend and front items at scrutiny relating to their portfolio areas, rather than just officers</li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	PHASE 2a
7.	Recruit resource to vacancies in Democratic Services and Scrutiny	<p><b>Action to date:</b></p> <ul style="list-style-type: none"> <li>• <i>Recruitment of interim head of governance and statutory scrutiny officer.</i></li> <li>• <i>Business Case approved for recruitment to reinstated scrutiny role</i></li> </ul> <p><b>Next Steps:</b></p> <ul style="list-style-type: none"> <li>• Recruit to some of the scrutiny and democratic services vacancies, taking account of the very challenging budget reductions required over the coming years.</li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	PHASE 1



No.	Headline Action	Detailed actions	Action Owner	Indicative timescale/priority of future actions
11.	Review constitution re: scrutiny rules and practice, including call-in	<ul style="list-style-type: none"> <li>Review constitution re: scrutiny rules and practice, including call-in</li> </ul>		PHASE 2a
12.	Improve overall support for Scrutiny Members to continuously improve effectiveness of scrutiny	<p><b>Action to date:</b></p> <ul style="list-style-type: none"> <li><i>[see elsewhere – training and induction programme for scrutiny members]</i></li> </ul> <p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>[see elsewhere – training and induction programme for scrutiny members]</li> <li>Offer intensive officer support of O&amp;S Chair including regular meetings with the scrutiny officer</li> <li>With the support of CfGS, empower scrutiny members to self-evaluate their performance in committee and plan steps towards further improvement.</li> <li>Implement system of pre-meetings with facilitated identification of key lines of inquiry for key items</li> </ul>	Monitoring Officer / Statutory Scrutiny Officer	PHASE 2a & 2b

**Slough Borough Council**

**REPORT** Council

**DATE:** 22 November 2022

**SUBJECT:** Recommendations of the Cabinet from its meeting held on 2<sup>nd</sup> November 2022:  
Montem Site Appropriation

**CHIEF OFFICER:** Patrick Hayes - Executive Director Housing and Property

**CONTACT OFFICER:** Patrick Hayes - Executive Director Housing and Property

**WARD(S):** All

**EXEMPT:** No

**DECISION SUBJECT TO CALL IN:** No

**APPENDICES**

- A. Report to Council on 22 September 2022 - Recommendation of the Cabinet from the Meeting Held 18th July 2022 – Montem Lane Appropriation
- B. Montem Appropriation Plan

**1 Summary and Recommendations**

- 1.1 The purpose of this report is the request Council to revoke its resolution of 22<sup>nd</sup> September 2022 in relation to the appropriation of land at Montem Lane.
- 1.2 On 18 July 2022 Cabinet resolved to recommend to full Council that officers be authorised to take all necessary steps to appropriate the Montem site (shown edged red on the plan in Appendix 5) for planning purposes to facilitate the carrying out of development, redevelopment or improvement on or in relation to that land.
- 1.3 On 22 September Council resolved to appropriate the Montem site to planning (shown edged red in the plan at Appendix 1) under section 226 of the Town and Country Planning Act 1990 on the grounds that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, and the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the whole, or any part, of their area.
- 1.3 The plan of the land to be appropriated for development attached to both the Cabinet and the Council reports (and attached at Appendix A of this report) mistakenly referred to the land shown edged red on the plan, whereas in fact the proper extent of the land to be appropriated is the land shown edged orange on the plan attached at Appendix B

of this report. The land shown edged red on the plan attached to the Cabinet and the Council reports is the footprint of the larger Montem site, and includes land that is not being appropriated.

## **Recommendations:**

Council is recommended to:

(a) Note that at a Special Meeting held on 2<sup>nd</sup> November 2022 the Cabinet resolved as follows:

- 1.1 *Noted that the plan of the land to be appropriated for development attached to both the Cabinet and the Council reports mistakenly referred to the land shown edged red on the plan, whereas in fact the proper extent of the land to be appropriated is the land shown edged orange on the plan attached at Appendix B of this report. The land shown edged red on the plan attached to the earlier reports is the footprint of the larger Montem site, and includes land that is not being appropriated.*
- 1.2 *Agreed to appropriate the Montem site to planning (shown edged orange on the plan attached at Appendix B of this report) under section 226 of the Town and Country Planning Act 1990 on the grounds that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, and the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the whole, or any part, of their area*
- 1.3 *Agreed that officers be authorised to take all necessary steps to appropriate the site (shown edged orange on the plan attached at Appendix B of this report) for planning purposes to facilitate the carrying out of development, redevelopment or improvement on or in relation to that land.*

(b) Revoke its resolution of 22 September 2022.

## **Commissioner Review**

There are no costs or risks associated with the appropriation process and the process de-risks future redevelopment of the land adding to deliverability and land value. The commissioners are therefore content with the report.

## **2 Report**

- 2.1 Full planning permission for the proposed residential development of the Montem Lane site to include 212 new homes has been approved (planning reference: P/07383/010). Planning committee approval was granted in January 2021 and the S106 Agreement was executed in April 2022
- 2.2 The target date for exchange of contracts on the sale of the Montem site was 11 November 2022 and to achieve that date engrossments needed to be in place for 4 November 2022 to enable the final purchaser Board approval. Therefore, the revisions



to the Appropriation resolution needed to be in place by 4 November to enable the exchange to take place on 11 November, hence the resolution at the Special Cabinet meeting held on 2<sup>nd</sup> November 2022.

### 3. Financial implications

- 3.1 There are no financial costs or risks associated with the appropriation process and the process de-risks future redevelopment of the land adding to deliverability and value.

### 4. Legal implications

- 4.1 The Council has a general power to appropriate land under section 122 of the Local Government Act 1972 (LGA 1972).
- 4.2 Section 226 of the Town and Country Planning Act 1990 (TCPA 1990) authorises the Council to acquire compulsorily any land in their area for planning purposes.
- 4.3 Under para 12 of Part 3.5 (Responsibility for Executive Functions) of the council's Constitution the acquisition and/or appropriation of property for rationalisation of the Council property portfolio or for the facilitation of development initiatives outside of agreed disposal and acquisition policies is a Cabinet function.
- 4.4 The Responsibility for Council Functions rules states that certain appropriation decisions are reserved to full Council; however this is intended to cover those decisions that can only be taken by full council and relate to allotments and open space. The original decision incorrectly included land that was designated as open space; however the statutory processes had not been followed prior to the decision and therefore even if the Council had intended for this land to be appropriated, it had not followed a lawful statutory process. The Council does not intend for development to take place on the open space land and it is important that the status of the open space remains in place.
- 4.5 A decision of the Council relating to the appropriation of land or its subsequent disposal can be challenged if the Council has acted beyond its powers or has not carried out the correct legal procedures in making the order. Therefore the Council must make a new decision to appropriate the correct area of land and take a separate report to full Council to revoke its resolution of 22 September 2022.

### 5. Risk management implications

#### 5.1 Risks

There are no financial costs or risks associated with the appropriation process and the process de-risks future redevelopment of the land adding to deliverability and land value.

However, there is a risk of the council acting unlawfully if the plan attached to the recommendation to appropriate to the Montem site does not properly delineate the land to be appropriated by the council.

6. Environmental implications

6.1 No environmental implications have been identified as a direct result of this report.

7. Equality implications

7.1 No equality implications have been identified as a direct result of this report.

8. Procurement implications

8.1 No procurement implications have been identified as a direct result of this report.

9. Workforce implications

9.1 There are no workforce implications relating to this report.

10. Property implications

10.1 The appropriation of the Montem site can proceed

11. Background Papers

None

**Slough Borough Council**

**Report To:** Council

**Date:** 22 September 2022

**Chief Officer:** Richard West, Executive Director Place and Community  
Steven Mair, Executive Director Finance and Commercial (s151)

**Ward(s):** All

**PART I**  
**FOR DECISION**

**RECOMMENDATION OF CABINET FROM ITS MEETING HELD ON 18<sup>TH</sup> JULY -  
MONTEM LANE APPROPRIATION**

**1. Summary and Recommendations**

- 1.1 This purpose of this report is to consider the recommendation of the Cabinet from its meeting held on 18<sup>th</sup> July 2022 to appropriate the Montem site to planning.

**Recommendation:**

- 1.2 The Council is requested to resolve to appropriate the Montem site to planning (shown edged red in the plan at Appendix 1) under section 226 of the Town and Country Planning Act 1990 on the grounds that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, and the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the whole, or any part, of their area.

**Reason**

- 1.3 Appropriation of the land to planning purposes will aid with the disposal of this key site for residential development.

**Commissioner Review**

- 1.4 There are no costs or risks associated with the appropriation process and the process de-risks future redevelopment of the land adding to deliverability and land value. The commissioners are therefore content with the report.

**2. Report**

- 2.1 Full planning permission for the proposed residential development of the Montem Lane site to include 212 new homes has been approved (planning reference: P/07383/010). Planning committee approval was granted in January '21 and the S106 Agreement was executed in April '22.

- 2.2 There are no costs or risks associated with the appropriation of the Montem site to planning (shown edged red the plan at Appendix 1) and the process de-risks future redevelopment of the land adding to deliverability and land value.

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

#### **3.1 Financial implications**

- 3.1.1 There are no financial costs or risks associated with the appropriation process and the process de-risks future redevelopment of the land adding to deliverability and land value.

#### **3.2 Legal Implications**

- 3.2.1 At the Cabinet meeting on 19 July Cabinet considered a report titled 'Slough Urban Renewal - disposals update'. Recommendation 11 (e) of the agreed decisions:

“Noted that those parts of the Montem site which belong to the Council are no longer required for the purposes for which they are presently held, and recommend to full Council that officers be authorised to take all necessary steps to appropriate the site (shown edged red on the plan in Appendix 5) for planning purposes to facilitate the carrying out of development, redevelopment or improvement on or in relation to that land”

- 3.2.2 The Council has a general power to appropriate land under section 122 of the Local Government Act 1972 (LGA 1972).

Section 226 of the Town and Country Planning Act 1990 (TCPA 1990) authorises the Council to acquire compulsorily any land in their area for planning purposes.

This acquisition can take place:

- If the Council thinks:
  - the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land (*section 226(1)(a), TCPA 1990*);
  - and
  - the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the whole, or any part, of their area (*section 226(1)(a) and (1A), TCPA 1990*).

A decision to appropriate land for planning purposes under section 226(1) of the TCPA 1990 must indicate that this is the purpose of the appropriation.

Under section 233(1) of the TCPA 1990, the Council can dispose of land appropriated for planning purposes to such person, in such manner and subject to such conditions as appear to the Council to be expedient to secure the best use of that or other land and any buildings or works which have been, or are to be,

erected, constructed or carried out on it (whether by the Council or by any other person) (*section 233(1)(a), TCPA 1990*).

A disposal of land under section 233 of the TCPA 1990 includes a sale of the freehold interest, granting a lease, assigning any unexpired term of a lease or the granting of easements.

3.2.3 Under section 123 of the Local Government Act 1972, the Council has a statutory duty to sell land at the best price reasonably obtainable.

3.2.4 A decision of the Council relating to the appropriation of land or its subsequent disposal can only be challenged if the Council has acted beyond its powers or has not carried out the correct legal procedures in making the order. Legal advice should be sought on the legal procedures for making the appropriation order, and the subsequent disposal.

### 3.3 Risk Management

3.3.1 There are no financial costs or risks associated with the appropriation process.

### 3.4 Environmental Implications

3.4.1 No environmental implications have been identified as a direct result of this report.

### 3.5 Equality implications

3.5.1 No equality implications have been identified as result of this report.

### 3.6 Procurement implications

3.6.1 No issues have been identified for the Council.

## **4. Appendices**

4.1 Appendix 1 – Montem Appropriation Plan

## **5. Background Papers**

5.1 Montem Lane Summary

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MONTEM LANE, SLOUGH  
Appropriation Plan

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## Slough Borough Council

**REPORT TO:** Council

**DATE:** 22 November 2022

**CHIEF OFFICER:** Executive Director Finance and Commercial (S151)

**WARD(S):** All

### PART I FOR INFORMATION

#### RECOMMENDATION OF THE CABINET FROM ITS MEETING HELD ON 21 NOVEMBER 2022 – FINANCIAL ACTION PLAN UPDATE

#### **1 PURPOSE AND RECOMMENDATIONS**

1.1 To provide Council with an update on the key areas of the work undertaken to respond to the many and very serious financial challenges and the recommendations made by external agencies. Specifically, it provides an update on the following issues:

- capitalisation direction
- progress being made on generating capital receipts
- budgets
- MRP
- the Council's borrowing levels
- accounts
- the dedicated schools grant
- the finance structure
- revenues and benefits
- Council accounting, HR and procurement system (ERP)
- commercial and procurement improvements
- internal audit actions
- company governance and actions

1.2 Council is recommended to note the progress and issues arising from the continued work on the above.

#### **Commissioner Review**

1.3 The Commissioners have reviewed the report and agree with the contents

#### **2 REPORT**

##### **Background**

2.1 The range and extent of the financial issues facing the Council have been well documented and reported to Cabinet in the last 17 months

2.2 The Cabinet, auditors and commissioners expect regular reports to evidence progress made. This report focuses on the key issues of the:

- capitalisation direction
- progress being made on generating capital receipts
- budgets
- MRP
- the Council's borrowing levels
- accounts
- the dedicated schools grant
- the finance structure
- revenues and benefits
- Council accounting, HR and procurement system (ERP)
- commercial and procurement improvements
- internal audit actions
- company governance and actions

2.3 It also includes a summary of the progress made in respect of the recommendations in the various reports from external agencies during 2021/22. These recommendations provide the basis of the financial improvement agenda and assist in framing the scale of the financial challenges facing the council.

2.4 Appendices 2 - 6 have been presented as they show the detail and the current position and progress against the recommendations in external reports among other matters:

- the DLUHC Governance Review (Finance Only)
- the CIPFA Review
- Grant Thornton's statutory recommendations
- Directions (Finance Only)
- Risks, mitigations and assumptions in the current forecast CD and budget

2.5 The financial strategy agreed and actioned by the Council was to:

- address the identified problem, this began in July 2021
- sell assets to reduce borrowings and thus reduce MRP/interest costs and finance the CD – agreed September 2021
- reduce net revenue expenditure – ongoing since July 2021
- produce and have audited high quality accounts – ongoing since July 2021
- design and implement a permanent structure for the Council's finance service
  - all to an appropriate standard and in an appropriate manner and with an understanding that this will take up to 5 years

2.6 The Council's strategy is starting to come to fruition although there is a great deal of work still to do and risks to be managed before stability can be achieved. It should be noted that the position throughout this report is at a point in time and will undoubtedly change. The key dependencies are:

- achieving modelled asset sales
- delivering all savings or equivalent mitigations
- owning budgets and living within them
- producing and auditing annual accounts and

- taking timely and difficult decisions.

## **Summary Updates**

2.7 The Council applied for and received a minded to **capitalisation direction** of £307m to 31/3/23. Looking forward the Council modelled to 2028/29 a total that could have risen to £474m. For further modelling purposes if the Council was unable to deliver £20m annual revenue savings from 2022/23 to 2028/29 and instead achieved £13m as a guide then the capitalisation direction would have to increase further and allowing for MRP on that would have totalled an estimated £782m.

2.8 It is currently estimated that **the overall capitalisation direction could be reduced from a potential total of £782m to £369m**. This has not changed since the last report **but will be revised for the budget reports**. **However, it is important that in providing this figure that there is a clear understanding of the assumptions and risks inherent in this figure. These are set out in appendix 6**

2.9 The Council is thus beginning to see the potential benefit and the outcome of the strategy adopted. Overall, this leaves the Council with a very large and challenging capitalisation direction of £369m but does represent a reduction of £413m that can be fully financed by:

- applying capital receipts from 2021/22 to 2027/28      £358m
- paying MRP in 2022/23 and 2023/24 of                      £11m

**2.10 Capital receipts** of £480m are forecast to be achievable from the sale of assets which is more than sufficient to cover the CD. This is an increase of £31m representing current estimates. Thus, if manageable challenges arise with achieving the total from the current plans sufficient flexibility is retained in the current estimates to do this by other means. **However equally if sites do not achieve sales on time or to this value there will be a very serious impact on the Council's financial position**. Current assumptions related to capital receipts are that:

- the production and cleansing of the accounts will generate circa £25m of available capital receipts;
- the work on reviewing the Council's companies and generating capital receipts from those of circa £40m (excluding JEH);
- asset sales of circa £415m up to 2027/28 by disposing of investment properties and surplus operational assets;
- a potential capital receipt of £200m from a stock transfer (from a desk exercise) should be achievable, if it is decided to pursue stock transfer;

2.11 The **budget** savings required in future years currently remain as previously reported and the estimated position as at month 6 is as follows:

- the current position is comprised of an indicative £7.3m overspend on service area budgets, an allowance for additional cost of living/inflation costs and savings pressures of £4.4m, offset by an improved collection fund position of £2.5m, the impact of £5.6m of 2022/23

increased settlement funding, a reduction in the projected MRP requirement of £10.7m, the rephasing of an impairment against a subsidiary company loan of £1.8m, and a £16.9m reduction in the anticipated requirement for other capitalisation adjustments (to cover emerging pressures such as growth, underlying budget pressures from previous year, service resilience, SCF losses and other additional capitalisation). This consequently leads to a reduction in the overall projected call on capitalisation direction of £25.5m in 2022/23 to £58.6m.

- the General Fund Capital Programme is forecasting an underspend of £0.700m at a spend of £27.955m.
- the HRA is forecasting a contribution to the HRA reserve of £1.827m, a £0.850m adverse variance against budget.
- the HRA Capital Programme is forecasting on budget at a spend of £10.720m.
- the DSG balance is forecast to be a cumulative deficit of £27.290m by the end of this financial year with plans to reduce the in-year movement to a balanced position by 2025/26.
- the maintained schools are projecting a reduction in balances by 31 March 2023 from £9.555m to £5.465m, with 4 out of 16 schools expecting to be in deficit with an aggregate deficit of £0.647m.

2.12 The **2023/24 budget** has a target of £23m of savings which is progressing with options to that value to be tabled at Scrutiny in November/December and January 2023. Work will continue on these. The budget is also allowing for various estimated cost pressures such as pay, contracts, investment income reductions and service demand pressures. To date circa £16m of savings have been identified.

2.13 The **2024/25 budget** has a current estimated savings target of £14m and is progressing with options totalling a potential £3.5m currently being explored.

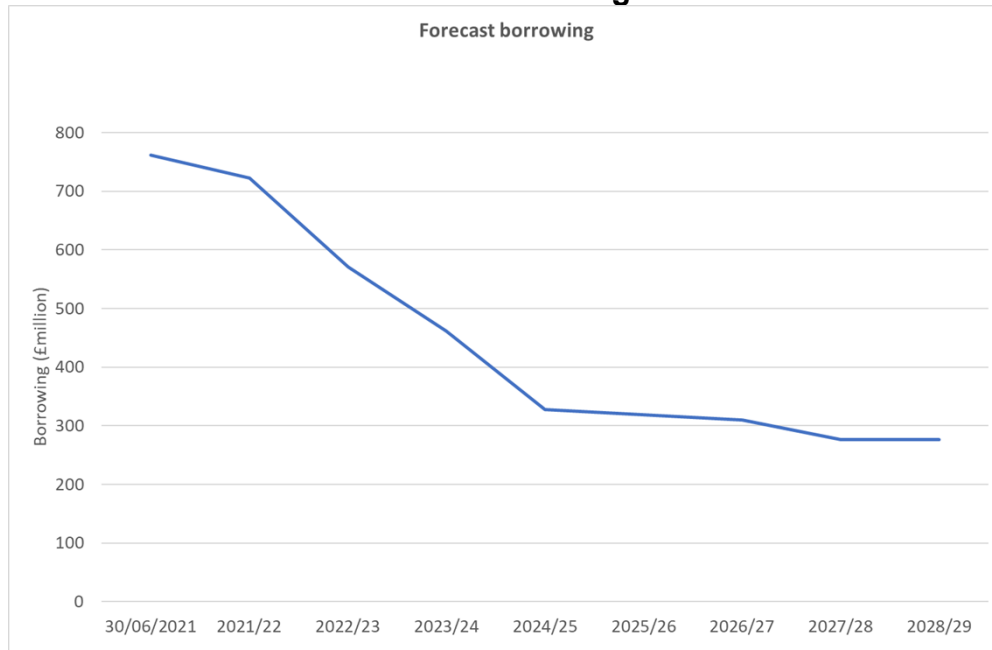
2.14 The lack of adequate budget for **MRP** was identified when the s114 was issued and reported extensively to Cabinet and Council. The Council's MRP budget for 2021/22 was £40k. The original estimated total impact of MRP was £18.3m in 2021/22 and £28.0m in 2022/23, the latter has now reduced by £10.7m. This is due to the identification of £25m capital receipts from redrafting the accounts which has enabled capital expenditure from previous years to be fully financed thus reducing the need for MRP.

2.15 The Council's **borrowings** are forecast to reduce as follows and as shown in the table below:

- by £190m from £760m at 30 June 2021 to £570m by 31 March 2023, and
- down to £280m by 31 March 2029.

2.16 The reduction reflects the forecast receipts from asset disposals as profiled by advisors AY. By using the capital receipts from the programme of asset disposals, the Council will be able to reduce temporary borrowing to £30m by 2024/25 and this will reduce the Council's exposure to interest rate risk by £5m per annum.

**Table 1: Forecast reduction in borrowing**



2.17 **Accounts** have been submitted for 2018/19, the audit is being conducted in more detail than originally anticipated due to the greatly increased risk profile of the Council. It is likely that the Council will receive an audit opinion commensurate with the lack of accounting records. This will be a matter for the auditors judgment and cannot be pre judged although it is likely to be one of a serious nature for the 2018/19 accounts. 2019/20 accounts were submitted to the auditors on 1/11/2022. 2020/21 accounts are now estimated to be completed by February 2023.

2.18 The **Dedicated Schools Grant** deficit for 2021/22 has been reduced from a forecast of £7.2m to £4.9m, and for 2022/23 is now forecast at £3.393m. The management plan is being continuously revised to secure an in-year balance for 2025/26 by November 2022. This will facilitate potential support from the DfE regarding the historic deficits.

2.19 The Council is participating in the DfE's Safety Valve programme and is engaging with the DfE on a bi-monthly basis and in doing so the DfE offers challenge and support to the process of recovery.

2.20 The last meeting with the DfE was held on 19th October 2022, the meetings are focused on providing an effective service and achieving financial sustainability rather than simply reducing expenditure. Feedback from the meetings have been positive so far, the DfE have been very complimentary and pleased with the progress made by the Council. In particular, the commissioning work and the financial modelling. They have commented positively on the pro-active and comprehensive nature of the Council's

responses to queries all of which is taking the DSG issue forward. They are equally keen to see the key resources made permanent within the Council.

2.21 If the proposals are agreed to by the Secretary of State, they will form the basis of a published agreement in early 2023. The agreement will require the Council to implement reforms to the agreed timetable, alongside maintaining an agreed savings profile. It will also set out additional funding which the department will release to support the reduction of the cumulative deficit.

2.22 The **Finance and Commercial restructure** is approved following consultation. A number of internal promotions were made in September and interviews for a further 15 council and agency staff were completed by 31 October 2022. External adverts and recruitment for the remaining vacancies began on 11 November. Recruitment of the new Executive Director and Deputy Directors is being run by the Chief Executive and Commissioners during November and December.

2.23 Work continues in **revenues and benefits** on collection rates, energy rebate payments and various other projects as shown below:

2.24 *Collection rates* - Improvements are being seen for in-year collections for both Council Tax which stands at 55.62% up 1.68% on the same time last year and NNDR at 55.93% up 5.77% on the same period last year. Considering the economic conditions, the Council Tax collection is very positive. It is anticipated that this will be further improved next month. Arrears collection is also improving with Council tax balances reduced by £2.43m (10.95%) so far this year and NNDR seeing a reduction of £3.50m (32.1%).

2.25 *Energy Rebates* - The payment of the core scheme has been completed, paying £2.06m to the last 13,704 rebates into residents Council Tax accounts. The total number of Slough Households who have received the rebate is 46,674 paying a total of £6.8m. Payment of the 9,532 discretionary scheme cases will commence the week commencing 24/10/22.

2.26 *Projects* - Development of the service continues with a number of key projects underway which include:

- Academy Cloud Migration on track for delivery in Jan 2023
- recovery data cleansing releasing more than £0.7m of debt that was effectively on hold to be recovered. The first of the EA caseloads have been completed and addition resource started 17/10/22
- the contract for robotics has been signed and kick off meetings started
- Single Person Discount monitoring project planning is underway aiming to commence work in December 22.

2.27 It was previously reported that as the **ERP** is fundamental to the information flow in the organisation the new S151 officer assumed strategic oversight over the system and is working on how to embed the right structure, resources, and practices in the organisation to maximise the output of the system and significantly reduce the costs arising from the inefficient operation that currently subsists.



2.28 There have been a series of improvements within **Contract Management and Procurement**:

- the council has implemented a centralised contracts register to improve the management and oversight of contracts and allow the council to plan procurement activity more effectively. The register is being actively used to plan, and feeds into the procurement pipeline.
- the register has also allowed the council to identify opportunities to make savings and achieve value for money through contract re-procurement, combining contracts of a similar nature, or ending contracts no longer required. As a result of the reviews, savings of £1.8m have been identified.
- a programme of continuous contracts register reviews is in place to ensure the council continues to get the best value for money
- recruitment has been initiated to move towards a permanent in-house team, interim in-house resources have been secured and the council has moved away from expensive consultancy support
- staff training has progressed to ensure the organisation is well informed on governance. 79 officers have been trained to date. The training programme will continue on an ongoing basis.

2.29 **Internal Audit recommendations** - Progress has been made in closing down management actions from previous financial years. There are no high rated actions outstanding prior to 2021/22. 56 per cent of actions relating to 2021/22 (160 out of 279) have been completed or are not yet due, the remainder are actively being chased. For 2022/23 18 recommendations have been made and are being followed up for completion.

2.30 As at 1 November 2022 338 (59 per cent) of internal audit actions have been completed, 74 (13 per cent) are not due and 161 (28 per cent) are overdue. 61 per cent of high-risk actions due have been completed and 51 per cent of medium risk actions due have been completed. In addition, 67 per cent of low-risk actions due have also been completed

2.31 The internal audit plan 22/23 was presented to the July Audit and Corporate Governance committee. It is agile to reflect changes in circumstances, including plans develop an in-house internal audit function. There are seven audits currently underway according to the plan and management actions resulting from the audits will be tracked once reports are finalised. High rated actions are being given priority and are reviewed monthly by the council's finance board



2.33 A considerable amount of work has been undertaken to improve **company governance** with a wide variety of changes. Critically, these changes have, or will have, a significant impact on the Council's financial position over the next few years; reducing borrowing requirements, MRP and the Council's exposure to financial risk. The improved governance arrangements should also enable the Council to make timely informed decisions on key strategic and financial matters that are critical to the Council's capitalisation directive. These include:

- the Council's capital programme has been reduced (e.g. SUR programme reduced by c £50m and the JEH acquisition programme was been stopped reducing the capital programme by a further £15m);
- increased loan repayments to the Council improving cash flow and borrowing costs (e.g. a significant reduction in the SUR loan facility from £9m to £2m this year);
- capital receipts have been accelerated (e.g. SUR opted site disposals of c £40m in the next few years);
- reduced cost exposure on key development sites;
- reduced operational losses for JEH due to the change to its acquisition strategy and improved Council operational oversight and
- additional sources of funding have been identified and approved to reduce the Council's overall financial exposure (e.g. Homes England funding of at least £9m for GRE5 as a contribution towards the ACM programme and additional First Homes grant funding to accelerate the sales of apartments at the Old Library Site).

2.34 FY 2023/24 will see a focus on JEH to enable the Council's loan facility to be repaid over the next few years. The Council will also seek to exit completely from GRE5 following the completion of the ACM works at Nova House and the settlement of the legal claim against the warranty provider

2.35 Detailed responses to the reports received from MHCLG/DLUHC, CIPFA, Grant Thornton and the formal Directions from DLUHC are shown in detail in Appendices 2-5. Table 2 overleaf shows a summary of the progress to date against each set of recommendations.

**Table 2: Progress on implementing finance only recommendations from external reports**

Report	No of Finance Recs	Complete/ Ongoing	Partially complete / On Track	Total
CIPFA (Appendix 2)	22	19	3	22
MHCLG/DLUHC	20	14	6	20
Grant Thornton	23	13	10	23
Directions (Appendix 5 - Finance Only)	9	2/5	4	9
<b>Total</b>	<b>74</b>	<b>51</b>	<b>23</b>	<b>74</b>
<b>Total %</b>		<b>69%</b>	<b>31%</b>	
<b>Position in Sept *</b>		<b>68%</b>	<b>32%</b>	
<b>Movement since last report</b>	-	<b>1%</b> 	<b>1%</b> 	

\*- the Directions were not included in the July report. Some of the directions are by their nature continuous and have thus been recorded as complete or ongoing as appropriate

2.36 Significant progress has been made on dealing with the recommendations from the various reports issued by CIPFA, DLUHC, Grant Thornton and the Directions (Finance only) issued by Government during 2021/22. 69 per cent of all recommendations have been completed or are continuously ongoing with good progress with the remainder on track to complete during 2022/23. Since the last report the number of complete or ongoing recommendations has increased from 50 to 51 (45 to 46 excluding Directions recommendations). The remaining recommendations will be implemented in the medium to longer-term due to their nature although a vast majority are expected to progress during 2022/23 and 2023/24. In summary:

- **Directions** - There are 9 of the 13 Directions which are whole or part in the ownership of the finance team. Of these 7 have been classed as green and the remaining 2 are amber. Firstly, the internal audit work is largely complete but not quite fully. Secondly, decisions on the reviews of council companies are well progressed and will be complete in the next year.
- **CIPFA report** - The recommendations are substantially complete with 3 outstanding. Of these 2 are to be completed imminently (recruitment to increase capacity, and guidance for interims following introduction of revised financial procedure rules) and one is not scheduled for completion until March 2023.
- The **DLUHC report** has 6 on-going / outstanding recommendations relating to improved service planning; responding to internal audit recommendations; continually developing member training around budgeting; reducing reliance on external contractors, implementing the CIPFA recommendations and spreading the learning from improved service planning in finance to other areas such as IT and HR. Work has commenced or is substantially complete in all these areas.
- The **Grant Thornton report** was more detailed and had 23 recommendations, some of which had multiple actions. Whilst progress has been made against all of these they have not been deemed to be complete until all elements are finished. Many of the actions are dependent upon completion of the annual accounts, for example, the annual governance statements are complete but cannot be signed off until the accounts are audited and approved by members. Other actions are more developmental and will by their nature be on-going for some time e.g. improving financial reporting, improve financial systems and processes; recruiting an internal audit team; improving the governance around the recording of member and officers interests. Some actions have a longer delivery time due to the nature and complexity of the issues e.g. the review of companies. All these matters are on track to be substantially completed in 2023.

2.37 Clearly the above positions are best estimates at this point in time and will change continuously as the work continues to progress.

2.38 As previously reported it will take **up to 5 years** to transform/stabilise the Council's finances and this will involve a further range of improvements/work to be done, examples of future plans included in the departmental business plan are outlined in Appendix 7 and key aspects summarised below:

- **People, culture and customers** – the services has spent a lot of time recruiting to the team and will put in place cultural changes that will enable the department to meet its ambitions, ensure it meets the highest professional standards, and has a 'can-do' attitude to supporting departments and the development of the Council's plans.
- **Training and succession** plans will be developed further once the team is recruited. The development of people is at the heart of our future success and this will be reflected in our investment in this area through the recruitment of professionally qualified staff, offering opportunities to current staff and growing the Council's own talent through trainee recruitment.
- **Improving Financial Reporting and Accounts Completion** – one of the key success factors will be to ensure all outstanding sets of accounts are complete by April 2023 and that the underlying processes to deliver future statements are embedded and quality assured. Progress in this area is well advanced but needs to be embedded during 2023/24. Plans are in place.
- **Getting the basics right** - continuing rectification of the many very significant historical challenges with poor basic financial control processes and procedures – for example, reconciliations between systems, quality control around the accounts processes, consistency in the completion of standard working papers, control and recording of assets, income recognition and debt recovery. Continuing action will be taken to improve the basic financial systems and control processes through the upgrade and development of Agresso and related systems.
- **Financial Strategy and Planning** – a great deal has been done to stabilise the Council's financial position through the forensic investigations during 2021/22 of previous accounting practices. Many of these issues have been rectified but the Council will not be fully clear of these issues until the outstanding audits have been completed. Medium Term Financial Planning had to be developed in a vacuum during 2022/23 due to the lack of a corporate plan and in the crisis situation the Council found itself in. A key area for 2023 is developing greater integration between the corporate plan and medium-term financial plans.
- **Improving each of the key functions** – all key services have a service plan and understand their responsibility for delivery. Each area has clear objectives, key performance indicators and key improvement actions for 2022/23 and beyond. Areas for improvement include:
  - The services has identified the need to raise the profile of the counter-fraud function which has been undertaking a great deal of work without getting the recognition that will be gained from regular reporting to the Audit and Corporate Governance Committee. A review

of its current approach is being undertaken by CIPFA and will inform our future strategy.

- Bringing internal audit in-house has been a key area for development. Once recruited to the new posts in the structure an internal audit plan will be developed alongside a strategy as to how this team will operate in the future.
- The revenues and benefits function has gone through a challenging period and will continue to explore the possibilities for use of new technologies in order to increase efficiency and effectiveness. A review of the team structure is scheduled for 2023.
- Implementing and consolidating some of the key changes from bringing the Contract Management and procurement functions back in house will be a key area for further development and improvement during 2023 and beyond. This will be crucial to the Council's ability to achieve value for money

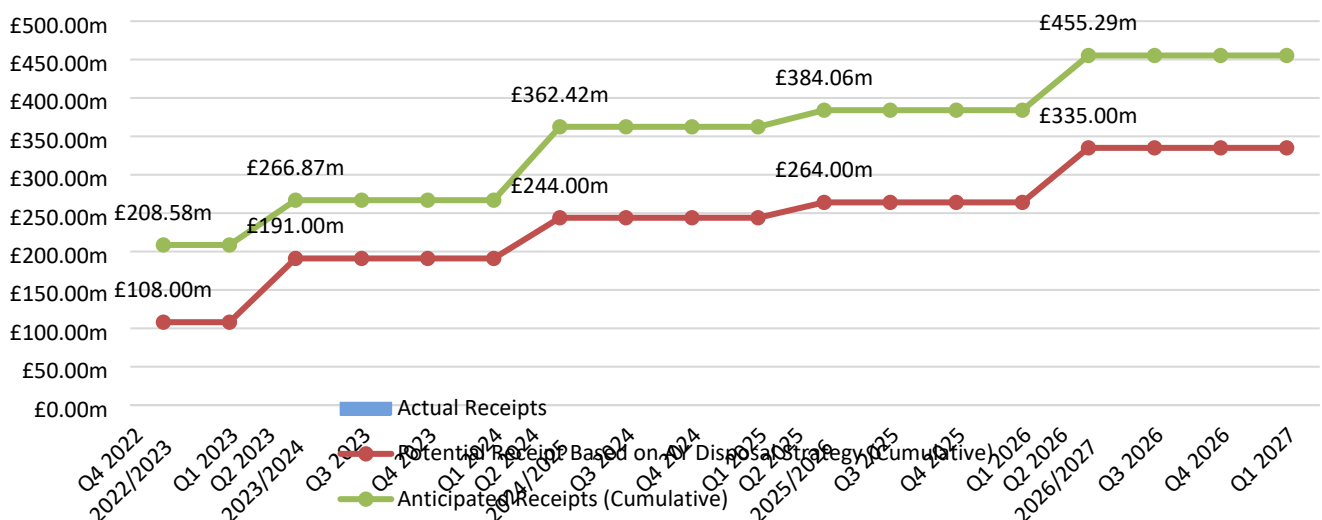
## INFORMATION

### Capital Receipts

2.39 The Council originally planned for capital receipts of up to £600m in its, reported to Cabinet in September 2021 as £200m by 2023/24 and between £200m and £400m by 31 March 2027.

2.40 The current work being undertaken by the Council and Avison Young (the Council's appointed property advisors) has identified potential sales of £480m. Receipts from a LSVT (large scale voluntary transfer of housing) could generate circa £200m. This is summarised below:

### Cumulative Target vs Cumulative Forecast vs Actual



- 2.41 The position is thus improved from that estimated and has a significant impact on the delivery of the Council's financial strategy, **as long as the assumed sales are delivered on time and on value.**

### **Budgets**

#### 2023/24

- 2.42 In respect of the 2023/24 medium term financial plan savings target of £20m, council directorates had proposed savings initiatives with an aggregate saving of circa £16m, leaving a gap of £4m to find. This was anticipated to come from savings to the contract with SCF, however the company business plan sets out that this will not be achievable. In light of the funding settlement for 2022/23 in which the council received an additional £5.6m on top of what was initially expected, this £5.6m in settlement funding was therefore built into projections for 2023/24. Directorates are to be asked to find a further £3.0m in savings on top of the £16.4m identified in order to balance the initial requirement with a further £3m in the event of a poorer settlement. It is assumed that the council tax increase will be limited to 2.99% and that any further increase will be needed to cover new burdens such as in social care.

#### 2024/25

- 2.43 The Council's pension fund is currently in deficit and the financial benefits of paying off this deficit are currently being explored

### **MRP and Borrowing**

- 2.44 MRP and borrowing has not yet been re calculated but will be revised for the preparation of the budget

### **Accounts**

- 2.45 The Council has no audited accounts since 2017/18 and in revising the 2018/19 accounts it has become apparent that there were errors in the 2017/18 and 2016/17 accounts which have been corrected in the submitted 2018/19 accounts.
- 2.46 This means that the Council has not been properly able to demonstrate good financial stewardship of public monies since 1 April 2016, 6.5 years ago. It also means that the Council's budgeting since then has been particularly challenging because of the uncertainty over its financial position.
- 2.47 Production and audit of accounts is thus extremely important element of the strategy to allow the Council to financially recover.

### **Accounts – 2018/19**

- 2.48 The audit of the 2018/19 accounts is continuing and because of the wide range of issues previously reported to Members:

- material reconciliation issues between the statement of accounts and the financial system resulting from the unsuccessful implementation of CIPFAs Big Red Button for preparing financial statements.
- lack of documentation and record keeping to support balances held in the financial system
- manual adjustments made to the accounts with no detailed explanation of what these relate or how these have been calculated, these adjustments have been entered onto the financial system resulting in reconciliation issues and some of these adjustments relate to the 2014/15 financial year
- lack of evidence and explanation for journals processed on the system
- working papers to support the accounts either do not exist, are of poor quality and do not reconcile to the amounts quoted in the accounts or the financial system

it is likely that the Council will receive an audit opinion commensurate with the lack of accounting records. This will be a matter for the auditors judgment and cannot be pre judged although it is likely to be one of a serious nature for the 2018/19 accounts. In addition due to the increased risk profile of the Council further technical and independent reviews will need to be completed meaning that an audit opinion is unlikely to be issued until the end of the December 2022.

### **Accounts – 2019/20, 2020/21 and 2021/22**

- 2.49 The Council’s accounts beyond 2019/20 have not previously been prepared despite being several years overdue. The 2019/20 accounts have now been in preparation since July 2022 and were presented to the auditors at the beginning of November 2022. The accounts for 2020/21 and 2021/22 are expected to be completed by February 2023 and March/April 2023, respectively

### **Finance and Commercial Services Re-Structure**

- 2.50 A key requirement for the Council is a designed and implemented permanent finance structure with appropriate service business planning, training and development, and succession planning. The new structure has been designed, evaluated, consulted on and agreed by Cabinet and is supported by a comprehensive business plan prepared in February 2022.
- 2.51 The consultation phase of the Finance and Commercial services restructure completed on 27 July. The recruitment phase has been in a number of tranches offering firstly promotion opportunities to current permanent staff during August and September, then to other council and agency staff during October. 21 applications were received against the declared vacancies. It is expected the majority of posts advertised will be filled with current permanent staff or agency staff. This process is due to complete at the end of October. The remaining vacancies are at the higher grades within the departmental leadership team.
- 2.52 In addition, adverts for recruiting externally have been drafted and external recruitment began from 3 November 2022. It is expected that any new

external appointments will be in place early in 2023. Recruitment of the Executive Director and Deputy Directors is being undertaken by the Commissioners during November and December.

2.53 The contract status of the current key finance interims has been discussed with them and all have agreed to remain until March 2023.

2.54 **Slough Children's First Company** – SCF has developed a further high level seven-year business plan 2022/23 -2028/29, along with detailed business cases for prevention and early help, targeted early help, edge of care and workforce. The business plan has been discussed at a number of meetings commencing in Spring 2022. Due to concerns about the level of investment requested and the length of time required to deliver savings, the DfE commissioned Mutual Ventures to undertake a review of the plan. Mutual Ventures has produced a draft of their report where they have questioned the level of the savings identified and the company's capacity to deliver them. They will be finalising their report in November and this report, the business plan and the business cases will be reviewed by the People Scrutiny panel before being presented to People Scrutiny in January in order to make recommendations to the February Cabinet.

2.55 The current draft SCF business plan is predicting a deficit of £3.4m for 2023/24, with no contribution to Council savings targets. £1.2m of this relates to an assumed reduction in DfE grant to £0.9m support for the company. The Mutual Ventures report is currently suggesting this amount increases further. The company also requested £1.2m of investment to improve services that will reduce demand and cost in future years for 2022/23. This will not be approved in the current financial year and so they will request a similar sum in addition to their current estimates. As it stands the Council cannot provide the level of support set out by SCF in future years and significant work will need to be undertaken in order to agree a contract sum for 2023/24.

2.56 SBC never budgeted resources for **ERP systems** support and project development and up to September 2021 this role was being undertaken by Myriad Consulting. Although the Council does not have a formal contract in place for the supply of these services they have been supplying consultants and a project manager / Solutions architect for over 3 years to manage Agresso Systems development mainly in HR and Payroll with minimal development in Finance and have assumed overall responsibility for supporting Agresso for the SBC and Schools Trust clients.

2.57 The Myriad consultants currently have a monopoly on a lot of the knowledge required for SBC to function as an independent entity and SBC has asked the team to focus on finalising the project work in payroll and HR and harmonising systems access issues.

2.58 This remains a risk to SBC as the Myriad consultants are key people risks as though they were not involved in the initial systems implementation, they have been responsible for all support and development from 2017 and are still the only expertise the council can draw on.



- 2.59 The contractual dispute with the original vendor (Arvato) did not include them supplying systems documentation so when the legal dispute was concluded there was no formal documentation as to what's been implemented.
- 2.60 To mitigate the above risk SBC will need to ensure that all major processes are either documented or listed such that the Council can establish the best means of provisioning the necessary support to maintain the system in the most cost-effective manner. The current deployment of Myriads consultants is unbudgeted and not sustainable.
- 2.61 Training on the development work that Myriad have undertaken, and knowledge transfer are essential to facilitate the exit and reduce the reliance on Myriad consultants.

### **Progress Made**

- 2.62 In October 2021 SBC agreed with Myriad's Project Manager the level of project work outstanding, the resources required from them to complete as well as factoring in SBC and other external resources that will ultimately impact delivery.
- 2.63 There has been extensive work on the HR related projects, the need for extensive payroll support and further development in the area. There have also been challenges with the responsiveness of the Agresso Hosting Vendor on the IT related aspects of the project and there have been various adhoc business reporting requests to undertake.
- 2.64 The current position is:
- SBC has focussed on completion of the essential HR & Payroll Development.
  - outstanding HR & Payroll Development Projects are scheduled for completion by the end of November 2022
  - there is some bespoke work to be undertaken in relation to other areas of the system that is also scheduled for completion in November 2022
  - after a procurement process a contract for Cloud based hosting of Agresso has been awarded to a new vendor & systems migration will be completed before the lapse of the 3-month extension to the existing Capita contract.
  - after gathering information from similar sized public sector organisations that utilise Agresso as an ERP a fit for purpose internal team structure for supporting the ERP and managing business as usual was incorporated in the 2022 Finance Restructure
  - the above structure will be reviewed once the migration to the new hosting vendor has been complete as they are providing as part of their contract part of the function that was planned for the internal team. The review will be completed by January 2023 with a view to implement the revised structure on or by the end of March 2023

- from January 2023 work will commence on establishing what needs to be in place to provide best utilisation of the system for the finance and procurement modules as both have not had any real development from implementation and this has resulted in a myriad of manual interventions being undertaken for core financial management and reporting. Timebound one off development and implementation projects will be set up to have these modules updated by the end of June 2023.
- as part of the systems migration IT will ensure that the necessary technical support is in place for the ERP system to run optimally and interface with all other SBC systems.
- training is being rolled out to line managers with a view to reducing the general apathy towards the system and ensuring that stakeholders all understand how the system impacts their roles and ability to deliver their objectives
- key user training is scheduled for November 2022 to provide refreshers for existing key users and to train others that are best placed from various directorates to function in this capacity.
- specialised training and knowledge transfer is being prepared for HR, Payroll and Finance Staff including the helpdesk team with a planned November 2022 rollout. This will enable a level of in-house expertise.
- based on business as usual requirements a fail safe quote has been obtained from the Agilix who have taken over Myriad for £60,000 with a 3, and 6 month break clause. This will reduce significantly SBC's current financial exposure.

2.65 **Council Companies** - revised governance arrangements have been introduced across all companies (with the exception of DISH which has not been prioritised for action in FY 22/23 as it is a much smaller scale compared to the other entities, is not a trading company and has limited risk (it has a lease with the Council for 54 properties dating back to 1988 when it was established) and is lower risk rated by Internal Audit compared to other entities. DISH revised governance will be introduced in early FY 23/24 following a review).

2.66 Changes include:

- closure of all companies that do not provide services (6 companies closed in FY 22/23) which has simplified the Council's corporate structure and resource requirements to provide governance/statutory requirements.
- dedicated SROs and shareholder functions across entities.
- establishment of a Corporate Oversight Board for SUR which meets bi-weekly due to the changes taking place within SUR and the SUR opted assets.
- joint shareholder function/Director meetings for GR5 which meet monthly to discuss and oversee developments on Nova House.

- focus on addressing the comments made during reviews, especially Internal Audit, with almost 100 comments across the Companies. Less than 5 now remain open.

### **3 IMPLICATIONS OF THE REPORT**

#### **3.1 Financial implications**

- 3.1.1 These are set out throughout the report. Should the work being undertaken not be completed or be significantly delayed, the Council's financial position would quickly deteriorate and become untenable.

#### **3.2 Legal implications**

- 3.2.1 On 1 December 2021 the Secretary of State for Levelling Up, Housing and Communities made a statutory direction requiring the Council to take prescribed actions and that certain functions be exercised from this date by appointed Commissioners, acting jointly or severally. The functions to be exercised by the Commissioners include the requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Council's financial affairs, and all functions associated with the strategic financial management of the Council, including providing advice and challenge to the Council in the setting of annual budgets and a robust medium term financial strategy, limiting future borrowing and capital spending. 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 and full Council should have regard to the advice and comments of the Commissioners contained in this report

- 3.2.2 The Council has a number of statutory duties in relation to financial management. These include the following:

- Under Part I of the Local Government Act 1999, a best value duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of efficiency, economy and effectiveness;
- Under section 31 of the Local Government Finance Act 1992, the requirement to set a balanced budget at the start of each financial year;
- Under section 28 of the Local Government Act 2003, a requirement to review actual expenditure against the approved budget on a regular basis throughout the year and, where it appears that there has been a deterioration in the financial position, a requirement to take such action as is necessary to deal with the situation;
- Under The Accounts and Audit Regulations 2015, a requirement to maintain adequate systems of internal control.

- 3.2.3 The Council's Constitution, which is based on the requirements of the Local Government Act 2003, requires that decisions in relation to financial

management must be taken at specific levels within the organisation, as follows:

- Full Council is responsible for approving the policy and budget setting framework at the start of each financial year. This includes approval of Council Tax increases, revenue and capital budgets, Treasury Management Strategies and capital investment plans.
- Cabinet is then responsible for determining how and when expenditure will be incurred, and what levels of service are provided, so long as this is in accordance with the overall budget framework.
- Part 3 of the Constitution also includes a Scheme of Delegation whereby some decisions can be delegated to individual officers or to senior officers acting as a group.

### 3.3 Risk management implications

3.3.1 There are a range of risks associated with this work. These risks and the mitigations put in place to manage them are set out in Appendix 1. Some of these mitigating actions are already in place, others will take time to develop and embed. This risk assessment will continue to be developed and the position continuously assessed, with regular reporting to members as part of these progress reports.

### 3.4 Environmental implications

3.4.1 The work being undertaken will allow the Council to continue to function and thus help address its environmental aspirations

### 3.5 Equality implications

3.5.1 The work being undertaken will allow the Council to continue to function and thus help meet its equality requirements

### 3.6 Procurement implications

3.6.1 The proposed asset disposal programme, implementation of the Council's procurement strategy and maintenance or improvements to financial systems will all require the assistance of external specialists who will provide additional skills and capacity not currently available in-house.

3.6.2 Any support obtained from external support consultants will be secured in compliance with the Public Contracts Regulations 2015, Council procurement policies, and within approved budget spending limits.

### 3.7 Workforce implications

3.7.1 There are workforce implications associated with the restructure of the department which are being managed with HR support. Possible future changes to the staffing structures within Finance functions referred to in this report are subject to future Cabinet reports which will fully consider workforce implications.

### 3.8 Property implications

3.8.1 The asset disposal programme referred to in section 8 of this report will directly impact on the Council's property holdings. Full details will be provided via six-monthly progress reports to Cabinet.

### 4. Comments of other Committees

The report will be considered by Cabinet at its meeting on 21 November 2022 and any significant comments will be reported at the Council meeting.

#### **APPENDICES:**

Appendix 1 - Risk assessment

Appendix 2 - Response to CIPFA Review

Appendix 3 - Response to DLUHC Governance Review (Finance only)

Appendix 4 - Response to Grant Thornton's recommendations

Appendix 5 – Response to Directions (Finance only)

Appendix 6 – Assumptions, risks and mitigations

Appendix 7 - Financial and Commercial Services - Improvement Plan

## Appendix 1

### Risk management

- There are a range of risks associated with this report. Risk identified to date have been listed below, together with the mitigations put in place to manage these risks down to acceptable levels. Some of these mitigations are already in place, others will take time to implement and embed. All risks and mitigations will change and develop over time and the current position will need to be continuously assessed. The RAG rating after mitigation is not time related ie as has been previously advised this while process will take circa 5 years.

Risk	RAG Before Mitigation	Mitigation	RAG After Mitigation
DLUHC/CIPFA/Grant Thornton/Commissioners may not have confidence that the Council can address all the matters to the quality and in the time needed	Red	Recruitment of new finance team in progress Employment of temporary additional resource Creation of appropriate permanent finance structure External review comments on the newly instigated finance service This also requires considerable input from across the whole Council	Amber
Accounts not completed	Red	Employment of national experts Creation of robust project plan as developed and successfully used elsewhere Utilisation of proven whole team methodology On-going engagement with external audit Extensive training The audit of the accounts is a related but different issue. Due to the lack of appropriate records and standards of work in 2018/19 etc the audit opinion will be commensurate with that situation. Thus pending the resolution of the audit this is deemed red at this stage but will be determined Thus an overall opinion of amber	Amber
Budget may not be brought into balance	Red	On-going communication with DLUHC regarding capitalisation directions Development of more rigorous processes and timelines Continuous weekly meetings at all levels – officers and Members from July Proposal for asset sale process at a level that will have a material impact on borrowing levels in the longer term Cleansing of all budgets over the coming 18 months Major reductions in the capital programme Agreement from all involved that all matters have to be considered  The Council is awaiting reviews of the SCF business plan which is currently having a material impact on the 2023/24 budget proposals.	Green – pending asset sales
2022/23 Budget may not balance	Red	The Council is also currently facing the risk of a 2022/23 in year departmental revenue overspend. However this is offset by corporate matters and the overall change in the CD	Green
Weaknesses in Council's strategic use of companies, governance, management, financial reporting and performance management continue	Red	Holistic reviews of all companies planned and in some cases underway Some issues already being addressed through Cabinet and Council. (Others will take place over the coming 18 months)	Amber

Internal Audit reviews not actioned or consider the holistic requirements of the Council	Red	Proactive management of internal audit recommendations is now taking place and chasing down of responses to and implementation of actions. Discussions have been had with Internal about the balance of their reports in the context of the council's current position and extensive change agenda.	Amber
Systems continue to fall behind the latest version, development work is not taken forward and priorities are not identified or resourced	Red	Structure, resources and practices are under review and will be analysed, reviewed and assessed to address the issues  ICT restructure is being prepared and will greatly impact on this when in place	Amber
Finance Team reverts back to being under resourced and under skilled	Red	Restructure programme well advanced for October completion Current team of interims are secured for the short to medium term Skills transfer takes place which is already underway Training is developed which is underway Additional required temporary and permanent resources are identified and secured The residual risk is securing a permanent team which makes the risk Amber at this stage	Amber
Poor financial management practises continue  New practices are not embedded	Red	Range of new processes introduced on a phased basis Officers trained in the new approaches  This depends upon officers throughout the Council fully engaging with the rigours of budget management and securing a longer term permanent team  There is a large quantity of detailed work still to complete	Amber

## Response to CIPFA review

No.	Recommendation	Action taken	Responsible officer	End Date
<b>Strengthening Financial Sustainability</b>				
<b>A On future sustainability: Establish a detailed plan to close its short and long-term budget gap</b>				
1	1. The S151 Officer present their plan for the steps that they need to take to rebalance the budget to Council in October and seek Council approval for the Plan.	Plans were taken to Council in October 2021. Plans approved. Budget for 2022-23 approved.	S Mair	<b>Complete</b> for short term  Work continues for the longer term
2	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
3	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
4	The Council produces detailed delivery plans for savings required over the MTFs by May 2022.	Costed savings action plans have been produced for the 2022-23 budget and proposals are now being prepared for the 2023-24 budget which will be refined through to January 2023.  The process beyond 2023/24 will be based on a zero basing of the Council's budget	S Mair/EDs	<b>Complete</b> for 2022/23 Budget Paper going to March Cabinet  ZBB will take through to October 2023 to set up and implement in 2024/25
<b>B On future sustainability: Establish a high-level risk register</b>				



5	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
<b>C On Commercial activities and borrowing: Set limits on future borrowing and capital spending</b>				
6	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
7	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
<b>D On commercial activities and borrowing: Gain increased assurance concerning the potential scale of past and future liabilities.</b>				
8	The Council further reviews the risk-based approach to identifying liabilities to enable it to improve its assurance around the size and scale of current and future liabilities before it sets the budget for 2022-23.	<p>Since the CIPFA report was drafted work has been undertaken to improve the Council's understanding of the scale of liabilities – past, current and future. This covers not only capital finance but also provisions eg GRE 5 and others. This will continue to be developed during 2022/23</p> <p>Budget set for 2022-23 including estimate of the then £307m capitalisation direction from DLUHC to support current year and previous errors, and estimated liabilities.</p>	S Mair	<p><b>Complete</b> for budget 2022/23</p> <p>On-going for future years</p>
<b>E On Assets: Develop an outline disposal plan</b>				
9	The Council considers at an early stage its approach to asset disposals and how it will secure the necessary expertise that it needs to achieve best value.	<p>The Council approved sale of up to £600m of assets and the procurement of external advisors in September 2021 to assist with the asset disposal programme.</p> <p>Avison Young were appointed and have produced a detailed disposal strategy with estimated sale proceeds and timeframes.</p>	S Mair/R West	<b>Complete</b>

		<p>AY identified £335m of assets that could be sold in the next five years. This excludes income from a Housing Stock Transfer which after Repayment of HRA debt would provide a net capital receipt of £84m. If all these assets were disposed of then the net revenue impact due to reduction in minimum revenue provision reductions would be £21m per annum.</p> <p>A disposal programme is underway for SUR opted following the outcome of an Options Review at the end of 2021 and further market testing and preparation work in 2022. The Cabinet has approved the disposal of the Montem site (October 2022) and has approved a disposal strategy for NWQ (June 2022). Further sites are in advanced stages of development and Cabinet decisions will be required in 2023.</p> <p>Local Partnerships Ltd were commissioned in early 2022 to consider options for disposing of JEH Ltd (corporate acquisition) and/or the full or partial sale of assets held by JEH. An indicative recommendation has been provided to officers although further</p>		
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		information and advice is required before an options paper can be provided to Cabinet with a preferred option and action plan. This is expected in March 2023.		
<b>Strengthening Financial Governance and Oversight</b>				
<b>F Raise Member awareness of the scale of the financial challenge and its implication</b>				
10	Mandatory briefings are provided to all Members on the Council's financial challenge.	Financial briefings provided weekly/monthly by s.151 officer and to each Full Council meeting.	S Mair	Complete
11	Specific further training is provided to members of the Audit Committee to raise further awareness of their governance role and that this training is repeated as part of the induction process for all new members when they join.	Programme of member training being developed in conjunction with the Monitoring Officer  Induction session held for new members in July 2022. Further training scheduled around future Audit and Corporate Governance Committee meetings per the schedule agreed in Jan 2022.	S Mair/Sarah Wilson (Interim)	Complete for induction training and On-going training programme in place
<b>G Address immediate Financial Governance risks</b>				
12	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
13	The Council reviews financial regulations in the medium term	Review completed subject to review by Member Panel on the Constitution on 2 November and Full Council approval.	S Mair	<b>Complete</b>
14	The Council sets out clearly the financial responsibilities of all new staff, interim and agency staff when they commence work with the Council.	The updated Financial Procedure Rules covers the financial responsibilities of all new staff, interim and agency. Additional briefings required for interim and current staff as part of	S Mair	Training will be undertaken in early 2023

		induction and the council wide training programme that will follow Full Council approval of the revised Financial Procedure Rules.		On Track
<b>H Prepare an Annual Governance Statement for 2020-21</b>				
15	An Updated Annual Governance Statement and Action Plan should be prepared for consideration by the Audit and Governance Committee by December 2021.	Work is complete on a first draft AGS for 2020/21 expected in early November.  Draft AGS completed and reviewed by CLT. Document will need finalising and further review once the 2020-21 financial statements are completed in 2023.	S Mair	<b>Complete</b> subject to timing of the finalisation of accounts.
<b>I Undertake an independent review of the Procurement Function</b>				
16	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
<b>J Review the provision of Internal Audit</b>				
17	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
<b>K Enhance Financial Capacity</b>				
18	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
19	The organisation makes further provision to enhance the capacity within the finance team including exploring other delivery avenues e.g. shared services	Restructure now completed and internal recruitment phase to be completed by 31 October 2022 with external recruitment programme from 3 November 2022. If recruitment in the wider marketplace is unsuccessful, then other options will be considered.	S Mair	October 2022  On Track
20	The Council commissions an independent review to demonstrate that financial procedures and processes are robust by May 2023.	O/S – not yet due This will be commissioned in March 2023		March 2023 On Track
<b>L Stabilise the Finance Leadership Team</b>				
21	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
22	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>

## Appendix 3

### Response to MHCLG/DLUHC Governance Review

No.	Governance recommendations	P=Priority action M=Medium term action	Action Taken	Responsible Officer	Status / Next Steps
1	2. Undertake a pragmatic, rapid risk assessment of the functional capability of each service area identifying the gaps in capacity and capability. This process needs to be owned by the organisation. Junior managers and front-line colleagues should be involved in contributing to the way forward.	<b>P</b>	Finance Action Plan has been developed reflecting the risks facing the Finance function and is being reviewed monthly  Service plan completed to tie in with new Corporate Plan.	S Mair	Continuous  On Track
2	3. Prioritise the service areas to be addressed and determine a rigorous plan and allocate resource accordingly. Examples of service areas to be prioritised would be finance, revenue and benefits, IT and democratic services, including scrutiny.	<b>P</b>	Finance Action Plan has been developed and is being reviewed monthly this includes all areas of finance and revenues and benefits.  Service plans now completed and being assessed against requirement of the new Corporate Plan.	S Mair	<b>Complete</b>
3	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
4	6. Identify permanent statutory post holders within the new scheme of delegation.	<b>P</b>	A revised set of Financial Procedure Rules has been produced and is being reviewed by Member Panel on the	S Mair	<b>Complete</b>

			Constitution on 2 November 2022 and will be subject to final approval by Full Council during November.		
5	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
6	12 Address each unique management action from internal audit reports and use them as indicators of possible service failure. Prioritise, target and remediate each action as a matter of urgency. Include actions identified in the six draft audits completed in year to date.	<b>P</b>	Actions from finalised audit reports are incorporated into the IA Management Action Tracker. Council has recruited a specific resource to monitor implementation of IA recommendations and the corporate and departmental risk registers.	S Mair	Continuous On Track
7	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
8	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
9	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
10	16 Improve proper decision making at appropriate governance levels and relevant meetings. For example, the annual review of the Council Tax Reduction scheme at full council and the comprehensive list of annual contracts to Cabinet.	<b>P</b>	An improved report went to May Cabinet and a further iteration is planned for Cabinet in September 2022 setting out the value, term and purpose of all contracts greater than £180k in value.	EDs	<b>Complete</b> as part of budget process
	<b>5. Culture and Leadership recommendations</b>				
11	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
	<b>6. Financial governance recommendations</b>				
12	21 Produce an overarching corporate action plan in response to the section 114 notice which indicates the way to financial sustainability	<b>P</b>	Revised Corporate Recovery and Improvement Plan approved by Council in May 2022 and now assimilated into Service Plans including an outline Medium Term Financial completed in May 2022.	S Brown	<b>Complete</b>

			<p>Outline financial plan completed as required and detail being progressed at pace:</p> <p>2018/19 accounts done, being audited 2019/20 completed by 31/10/22 2020/21 by January 2023 2021/22 by May 2023</p> <p>2022/23 budget monitor and CD reviewed and revised</p> <p>2023/24 likewise</p> <p>Initial proposals for 2024/25 commenced</p>		
13	22 Ensure the recommendations in the concurrent CIPFA report are carried out.	<b>P</b>	Ongoing – see above	S. Mair	On Track
14	23 Develop the good awareness raising initiated by the interim s.151 officer into a mandatory financial and budget training module for all councillors and budget holders.	<b>M</b>	Included in the programme of training for Members and budget holders reviewed by Audit and Corporate Governance Committee in January 2022. First training session was delivered on 14 April on Local Government Finances.	S Mair	Continuous as training programme develops
15	24 Ensure that the excellent work of the interim s.151 and his team (in terms of action planning around the external reports) has corporate ownership and that finance is not merely regarded as a technical activity, but as an	<b>M</b>	Ongoing via weekly/monthly finance update briefings to Members, Commissioners and CLT and reinforced through the approach to business cases.	EDs	Complete

	enabling function to help council wide continuous improvement.				
16	25 Respond corporately and systematically (not just in a financial sense) to the ongoing reviews of council owned companies to ensure immediate, effective governance of these companies.	<b>M</b>	<p>Revised governance arrangements have been introduced across all companies (with the exception of DISH which has not been prioritised for action in FY 22/23 as it is a much smaller scale compared to the other entities, is not a trading company and has limited risk (it has a lease with the Council for 54 properties dating back to 1988 when it was established) and is lower risk rated by Internal Audit compared to other entities. DISH revised governance will be introduced in early FY 23/24 following a review).</p> <p>Changes include:</p> <p>Closure of all companies that do not provide services (6 companies closed in FY 22/23 which has simplified the Council's corporate structure and resource requirements to provide governance/statutory requirements.</p>	S Mair/R West	Complete



			<p>Dedicated SROs and shareholder functions across entities.</p> <p>Establishment of a Corporate Oversight Board for SUR which meets bi-weekly due to the changes taking place within SUR and the SUR opted assets.</p> <p>Joint shareholder function/Director meetings for GR5 which meet monthly to discuss and oversee developments on Nova House.</p> <p>Focus on addressing the comments made during reviews, especially Internal Audit, with almost 100 comments across the Companies. Less than 5 now remain open.</p>		
17	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
18	27 Carefully manage the potential reduction from £6m to the return on investments as a significant risk. The disposal strategy should be completed. This might take some time, which could delay the amount of revenue available to the council.	<b>M</b>	The asset disposal programme will take into account reductions in investment income streams. However the £6m return is a gross return and did not take into account costs of borrowing or operating costs. Therefore expect this to be minimal impact.	S Mair/R West	Complete as not considered a significant risk.

<b>7. Services recommendations</b>					
19	29 Address recommendations 1,2 and 3, which will help improve performance in other service areas, particularly revenues and benefits, IT, finance and democratic services.	<b>P</b>	See above	S Mair	On Track
<b>8 Capacity/capability recommendation</b>					
20	30 Significantly reduce the reliance on external consultancy and external contracts which deliver 'internal' services. Build and use internal capacity.	<b>M</b>	<p>Finance restructure in place and consultation completed in July 2022. Internal Recruitment completed by 31 October 2022 with additional capacity recruited.</p> <p>External recruitment taking place from 3 November 2022.</p> <p>Other service areas also subject to significant restructure with a view to appointing permanent staff.</p> <p>Alternative options to be considered if recruitment is unsuccessful.</p>	EDs	<p>30 November completion of external recruitment</p> <p>On Track</p>

Response to Grant Thornton’s recommendations

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
1	<p>Agreed savings are not supported by robust savings plans and as such are at risk of not delivering as anticipated.</p> <p>Medium</p>	<p>The Council should:</p> <ul style="list-style-type: none"> <li>Ensure that savings are supported by robust savings plans and business cases</li> <li>Strengthen arrangements by introducing a corporate function, which could assess the likelihood of delivery, the robustness of proposed savings and their supporting plans as well as monitor delivery.</li> </ul>	<p>The Council has recently undertaken a number of actions that will address this and related issues</p> <p>The Council amended its then officer Strategic Finance Board (SFB) chaired by the Chief Executive to ensure that the then Executive Board was fully aware of all pertinent financial matters within the Council and gained a holistic understanding of the Council’s finances. This Board received papers on financial standards, the accounts, the budgets, and other matters</p> <p>As part of this the Council has:</p> <ul style="list-style-type: none"> <li>Revised its revenue business case and process to ensure</li> </ul>	S Mair	<p>Complete for 2022/23, in development for 2023/24</p> <p>Agreed for council services not yet for SCF</p> <p>Design and implementation of the ZBB process will start from Spring 2023 but not in place until 2024/25.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>that the business case focuses on the case for change, value for money and affordability before moving into the technicalities of procurement etc. Thus, assisting in ensuring that the Council's base budget is as robust as it can be and hence helping to provide a more informed base from which to generate any necessary savings</p> <ul style="list-style-type: none"> <li>• Related to savings, the Council has a separate business case for savings which has been supplemented by a Saving Action Plan to assist in the verification and tracking of saving plans going forward</li> </ul>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<ul style="list-style-type: none"> <li>The finance service led the process for the budget for 2022/23 and the correction of the 2021/22 budget and worked with service colleagues to review and challenge all budgeted and future savings, monitor delivery, identify pressures and seek from colleagues' mitigations as necessary. It also revised the equality impact documentation. Going forward a further revised process will be established that will bring into the assessment of savings plans colleagues from other disciplines such as legal, HR, ICT etc – all working closely with service officers</li> </ul>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<ul style="list-style-type: none"> <li>Supplementing this the Council revised its officer budget process to accelerate the timeline for production of the budget to allow for full engagement and scrutiny by Members in all their roles and likewise for full consultation and communication with other stakeholders</li> <li>The design of the budget process will continue to develop through such as the introduction of Zero-Based Budgeting for the financial year 2024/25. Embedding this and the new standards will take some considerable time</li> </ul>		
2	We consider there is scope to ensure that the	The governance arrangements could be	A thorough review and redraft against the CIPFA	S Mair	On Track

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>Annual Governance Statement (AGS) more clearly sets out the processes and procedures to enable the Council to carry out its functions effectively. Medium</p>	<p>improved by developing the AGS and introducing:</p> <ul style="list-style-type: none"> <li data-bbox="645 347 994 603">• Assessment of the effectiveness of the framework, it should be more than a description of what is in place</li> <li data-bbox="645 611 994 866">• How the Council is defining outcomes in terms of sustainable economic, social, and environmental benefits</li> <li data-bbox="645 874 994 1098">• An action plan, that brings together and addresses all the significant issues faced by the Council</li> <li data-bbox="645 1106 994 1394">• A formal mechanism that monitors and assesses the progress of the issues and recommendations raised in the AGS throughout the year.</li> </ul>	<p>Solace framework has been completed for all years 2018/19 to 2020/21. CLT have reviewed and commented on all three AGS's and these comments have been incorporated into the revised documents.</p>		<p>Embed processes to ensure that future versions of the AGS are completed in accordance with the CIPFA Solace Framework.</p> <p>A new process will be implemented during the Autumn of 2022 for completion of the 2022/23 AGS.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
3	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
4	<p>Effective governance arrangements are not in place to ensure those in charge with governance are able to make decisions in an open and transparent way</p> <p>High</p>	<p>Cabinet and scrutiny should be regularly updated on the performance of their key services and be able to challenge this performance and have the opportunity to make informed decisions in formal committee meetings.</p>	<p>We have recently begun the preparation of holistic financial briefings for Officers and Members, and these will be further developed in the future. We have also as noted above revised the budget timeline which will allow for more informed Member consideration of the budget and have introduced quality guidance for finance and other officers on the production of budget monitoring reports and financial implications in reports.</p> <p>We will ensure that key service financial and performance information is included as a regular agenda item for Cabinet, Scrutiny and the Audit and Governance Committee.</p> <p>A training programme is in place for officers in relation to procurement and</p>	S Mair	<p>On Track</p> <p>Financial reporting will be further developed during 2022/23</p>



No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			contract management processes and procedures, including the council's contract procedure rules. 30 officers have been trained since the last report was issued, 79 officers have been trained in total.		
5	<p>Effective contract management arrangements are not in place to effectively manage statutory services that are delivered by third parties</p> <p>High</p>	<p>The Council should consider and ensure effective arrangements are in place in the following areas:</p> <ul style="list-style-type: none"> <li>• Role of elected members, including Members of the Board, as possible shareholder committees or monitoring committees such as the Commercial Sub-Committee, as well as the role of scrutiny committees</li> <li>• Elected members who are Board Directors of the</li> </ul>	<p>The Council has begun reviews of its management of third-party organisations and will be implementing a series of changes which will include among other matters appointing appropriate Senior Responsible Officers to ensure that companies meet their objectives, put in place new arrangements for holding companies to account, reviewing how the companies meet the Council's objectives, a review of the work undertaken by the companies, developing a clear approach to testing value for money etc.</p>	S Mair	<p>On Track</p> <p>An ongoing programme of improvements for all companies will continue throughout 2022/23. DISH will be subject to a review and series of changes in FY 23/24</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<p>SCST need to understand their responsibilities and duties to SCST and ensure they effectively manage any conflicts of interest. All company directors have a duty to act in the best interests of the company rather than in the best interests of the body that has appointed the Director to the company (e.g., the Council)</p> <ul style="list-style-type: none"> <li>Elected members committee functions, this should include those charged with governance who would have oversight of the effectiveness of the SCST Board in line with Council's strategic objectives and statutory duties as well as scrutiny</li> </ul>	<p>An extensive report has also been made to the Audit and Corporate Governance Committee.</p> <p>Three individual oversight functions have been established for SUR, GRE5 and JEH. Each entity undertakes different activity, faces different issues and are at different stages of maturity in terms of operational and governance. A central oversight function may be considered at a later stage. They now receive regular report packs at each meeting.</p> <p>The Council established a Corporate Oversight Board for Slough Urban Renewal (SUR) to strengthen the Council's governance and management arrangements, including oversight of a phased reduction in SUR's activities.</p>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
		<ul style="list-style-type: none"> <li data-bbox="645 279 985 758">• The Council would benefit from applying consistent arrangements across the Council for dealing with all its third-party companies and ensure the role of the Commercial Sub-Committee is effective and understood</li> <li data-bbox="645 805 985 1093">• Those charged with Governance should receive updates and reports on a regular basis (quarterly as a minimum) to enable informed decision making.</li> </ul>	<p data-bbox="1019 239 1400 750">New Council representatives (not Directors as SUR is a LLP) have also been appointed to oversee the changes and a planned phased exit from SUR. Roles and responsibilities have been clearly communicated and are set out in the Partnership Agreement which is the key governance agreement for SUR.</p> <p data-bbox="1019 798 1400 1085">It is anticipated that the Council will exit the partnership in FY 24. As a result of this phased exit, services provided to SUR have reduced enabling the Council to reduce its share of operating costs.</p> <p data-bbox="1019 1125 1400 1404">Significant progress has been made to GRE5's governance arrangements, financial planning and reporting, oversight and critical governance arrangements. New external directors have</p>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>been appointed who are responsible for producing monthly and quarterly updates on activities, performance, and risks. A shareholder function has been established and meets.</p> <p>The Council's loan to GRE5 has now been fully executed following a financial review in FY 21/22 which identified that the Council's loans had not been approved in line with its Investment Strategy and was not approved in line with its governance requirements, This issues were addressed in 2022 and the Council's loan to GRE5 is now in compliance with its requirements.</p> <p>All GRE5 Directors now have new contracts which clearly state the roles and responsibilities. Directors contracts have now been</p>		

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			<p>standardised across the Council.</p> <p>New directors and governance arrangements alongside strengthened performance and financial reporting arrangements. have been introduced for JEH. In addition, a JEH strategic review has identified a number of options which the Council will consider in Match 20223 with the aim of developing an action plan for JEH Ltd and/or its assets.</p> <p>IA comments have been systematically worked through in FY 22/23 with the majority of comments now signed off by RSM as closed down and addressed.</p>		
6	Effective governance arrangements are not in place to effectively manage statutory services that are	<ul style="list-style-type: none"> <li>The Council should introduce contract management to ensure services are delivered as planned</li> </ul>	The first recommendation is being dealt with as noted above and will be picked up by the new Commercial team once in post.	S Mair	On Track

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	delivered by third parties.  High	and any mitigating actions can be taken in a timely manner			
		<ul style="list-style-type: none"> <li>The Council should consider using its internal audit service to gain assurance that its contract procedures are being effectively applied across all Directorates</li> </ul>	In respect of gaining assurance this will be undertaken in two ways – through internal audit as described and through reviews by the Finance and Commercial team. The S151 officer will engage an audit of the procurement arrangements independent of the Council's current provider RSM to avoid any conflict of interest	S Mair	On Track  Procure alternative internal audit of the procurement function – to be actioned once new team in place.
7	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
		<b>Complete</b>		<b>Complete</b>	
8	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
		<b>Complete</b>		<b>Complete</b>	
9	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
10	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
11	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
12	<b>Debtor and creditor reconciliations</b>  During our testing of the debtor and creditor	<ul style="list-style-type: none"> <li>Perform review of the debtor and creditor account codes to ensure that balances are</li> </ul>	The systems review is in progress as is the preparation of the year end analysis.	S Mair	On Track  Ensure that processes are revised and

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>balance there were issues with the client producing reconciled balances which should represent the year end debtor and creditor positions excluding in year movements. Our sample testing of debtors and creditors has not identified any material balances that are not supported.</p> <p>We have discussed this with management and confirmed that a process has been undertaken in 2020 to review debtor and creditor codes and cleared down items which are no longer valid balances.</p> <p>High</p>	<p>appropriate and valid and clear those that are not.</p> <ul style="list-style-type: none"> <li>Establish a reconciliation process for all debtors and creditor accounts to ensure the balances are fully supported and valid debtors or creditors</li> </ul>			<p>improved and monthly reconciliations are carried out once the review has been completed</p>
13	<p><b>Income and Debtors</b></p> <p>There is no review process over invoices issued before they were</p>	<p>Review the internal processes over invoice raising to ensure there is sufficient review of invoices</p>	<p>As above</p>	<p><b>S MAIR</b></p>	<p>On Track</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>sent out to clients. The Council relies on customers to identify and inform them of any errors noted. However there is risk that if the invoice is undercharged and the customers may not raise error, and the Council may suffer a loss from undercharging.</p> <p>High</p>	<p>before they are sent to clients</p>			
14	<p><b>Declarations of interest</b></p> <p>Councillor and Senior Officer declaration forms are not dated. There is a risk that the declaration record is incomplete or insufficient as a result. The most recent forms for three Councillor declaration forms were signed, but not dated. Signing / dating a declaration form should be standard practice, as</p>	<ul style="list-style-type: none"> <li>Ensure that all forms are signed and dated as part of their standard procedures</li> </ul>	<p>The Council requires every entry to the members register of interests to be signed and dated, it is standard practice that this is always followed. In the past 12 months the Council has strengthened the process and a democratic services officer must always countersign each form received from a councillor to ensure completeness. Senior officers' declaration forms are not part of this process and are in fact part</p>	<b>S MAIR</b>	<p>On Track</p> <p>Check responses against list of Members in office and Officers employed by the Council during the financial year in question. Cross-check against the records held by Companies House to ensure completeness.</p>



No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	<p>it could lead to forms being misfiled, or new interests not being declared in a timely manner.</p> <p>Senior Officers that were working for SBC through a contracting company are not required to complete a Declaration of Interests form.</p> <p>Interim staff are not required to complete the Registers of Interests and Gifts and Hospitality.</p> <p>High</p>	<ul style="list-style-type: none"> <li>Consider whether Officers, including interim staff, should complete declaration forms as they may be able to have a significant influence on the council's high-level decisions.</li> </ul>	<p>of the declaration process for all staff which uses an online HR process to gather the submissions.</p> <p>The Council has also implemented a new process for capturing related party transactions for Members and Chief Officers. Responses will be cross-checked against the records held by Companies House to ensure completeness.</p> <p>The Council has implemented a process by to ensure that any interim staff or those recruited through contracting companies are required to complete a declaration of interests form and where appropriate complete their Directorate gifts and hospitality register.</p> <p>The Council has also implemented a new process for capturing related party transactions</p>	<p></p> <p><b>S MAIR</b></p>	<p></p> <p>Check responses against list of Members in office and Officers employed by the Council during the financial year in question. Cross-check against the records held by Companies House to ensure completeness.</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
			for Members and Chief Officers. This will be completed electronically with responses documented as evidence. Responses will be cross-checked against the records held by Companies House to ensure completeness.		
15	<p><b>Fixed asset register</b></p> <p>The client informed us of a number of properties which had not been removed / reclassified in the fixed asset register prior to the production of the year end financial statements.</p> <p>We also identified material assets which had been fully depreciated and were held at net nil valued in the fixed asset register and accounts.</p>	<ul style="list-style-type: none"> <li>Establish a process to perform an annual review of assets to ensure that all disposals and reclassifications are amended</li> <li>Establish an in-year process for capital movements to be notified on a timely basis to the finance team to ensure the fixed asset register is maintained accurately. This should be reconciled to the accounts as part of the year end</li> </ul>	Investigation into Council's asset register identified that there was a lack of in-house knowledge on how to use the Council's fixed asset register and a lack of guidance notes. Training on how to use the system has been provided to the relevant members of staff along with guidance notes and video demonstrations saved in a central location to ensure resilience in the future.	S Mair	<p>On Track</p> <p>Quarterly reconciliations to be carried out going forward as part of the capital monitoring process to ensure that asset movements and reclassifications are captured appropriately</p>

No.	Issue and risk	Recommendation	Action taken by Council	Responsible Officer	Status / Next Steps
	High	closed own procedures			
16	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>
17	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
18	Finance capacity and skills	The Council should put in place robust arrangements for the production of the 2019/20 and 2020/21 financial statements which meet statutory requirements and international financial reporting standards. To achieve this the Council should:		S Mair	Complete
		<ul style="list-style-type: none"> <li>Ensure sufficient resources and specialist skills are available to support the accounts production</li> </ul>	<p>Gaps in the Council's own team skills and capacity have been addressed in the short term by the appointment of interim staff to provide additional capacity.</p> <p>The Council began formal consultation on a restructure for the Finance and Commercial Services</p>	S Mair	<p>Internal recruitment to complete 31 October. External Recruitment to a permanent team is expected to be complete by 30 November 2022.</p> <p>Scale of interim support will be known during December 2022.</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>department on 28 June 2022. The restructure proposals have been approved For consultation by the Cabinet, the Employment and Appeals Committee and CLT. The restructure including recruitment to a permanent team should be complete by November 2022.</p>		<p>During 2022/3 interim resources will be utilised to continue the change agenda. Once the recruitment to permanent posts has been concluded then the position in relation to interim support will be reviewed, although this expected to reduce significantly during 2023/24 and beyond, although it is anticipated there will still be a need for interim support for some time to come.</p>
		<ul style="list-style-type: none"> <li>Ensure the finance team has the skills and capacity to enable effective financial management arrangements and support the production of technically sound financial statements,</li> </ul>	<p>Training programme was developed and rolled out to the whole finance team in October 2021.</p> <p>Individual training sessions will be arranged as and when necessary. External</p>	S Mair	<p>Complete for 2018/19 accounts</p> <p>The programme of training was completed by the end of November 2021.</p> <p>Additional training will be provided as and when necessary.</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			training will be brought in if necessary		
		<ul style="list-style-type: none"> <li>Ensure finance officers are provided with additional training, to ensure all staff involved in the accounts production process have the necessary technical knowledge of the CIPFA Code</li> </ul>	As above. In addition, the CIPFA Code and other technical guidance documents have been acquired and made available to the whole finance team. The Council also has access to technical advisors from CIPFA via its subscription to CIPFAs Finance Advisory network.	S Mair	As above
		<ul style="list-style-type: none"> <li>Introduce appropriate project management skills to oversee the timely production of the financial statements and supporting working papers</li> </ul>	Weekly meetings have been arranged with the core team to ensure timely production of accounts		Weekly meetings will continue until the accounts have been prepared.
19.	Preparation of the financial statements	The Council should develop a comprehensive project plan for the preparation of the accounts which ensures that:	This is an area that the Council will seek to continuously improve. For the 2019/20 and 2020/21 accounts, the following improvements have been introduced:	S Mair	Complete for 2018/19 and 2019/20 accounts  Progress against the plan will be monitored on a
		<ul style="list-style-type: none"> <li>Entries in the accounts and supported by good quality working papers which are</li> </ul>			

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<p>available at the start of the audit</p> <ul style="list-style-type: none"> <li data-bbox="618 352 1077 496">• The financial statements and working papers have been subject to robust QA prior to approval by the s.151 officer</li> <li data-bbox="618 539 1095 719">• There is clear ownership and accountability for tasks across service areas to support the timely production of the financial statements</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1180 240 1480 863">• Comprehensive accounts plan linked to the auditors required by client schedule. This has been communicated to all key stakeholders and includes a responsible officer for each task and separate deadlines for preparation and review</li> <li data-bbox="1180 911 1473 1374">• Standardised templates linked back to the Code have been prepared for all notes. The templates also include a three-stage quality assurance process covering 1) preparation, 2) technical review</li> </ul>		<p>regular basis and feedback sessions will be held with all key stakeholders once the project is completed in order identify areas that might require further improvement.</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>and 3) sign off review</p> <ul style="list-style-type: none"> <li>• Improved communication through the project plan, including regular and early communication to all stakeholders.</li> <li>• A whole team approach has been instigated through the involvement of the whole finance service to bring greater resilience and resource to this key requirement.</li> <li>• Comprehensive training and development for finance staff including how to prepare, and also regular reviews of, working</li> </ul>		

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			papers that include evidence of the transactions in the ledger, an enhanced checklist of requirements, quality assurance review, links between the working papers and clear mapping to the ledger.		
20	Levels of usable reserves	<p>The Council should take urgent action to address its low levels of unearmarked and earmarked reserves through:</p> <ul style="list-style-type: none"> <li>Developing a clear, sustainable medium-term financial plan to significantly replenish reserves to a level which enable it to respond to any significant unexpected events or manage its position effectively where its savings programme are not fully achieved</li> </ul>	The Council has begun and agreed at officer level, a robust process for continued review of its base budgets including savings proposals, pressures, mitigations, monitoring etc. This will all lead into an improved MTFS that will contain full	S Mair	<p>On-going</p> <p>An additional £1m per annum is planned to continuously increase reserves</p>



No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>detailed savings proposals backed up by appropriate plans and working papers.</p> <p>As a consequence of this work and as part of the budget process a risk analysis will be completed to inform by how much the reserves should be built up over the coming 5 years. This will lead to an increase in the savings target to finance the necessary increase in reserves which will be formalised as noted during the budget process.</p> <p>£20m has been built into the capitalisation direction to provide the Council with a base level of reserves</p>		
		<ul style="list-style-type: none"> <li>Reviewing its medium-term savings plans to ensure clear proposals are developed to achieve savings requirements</li> </ul>	As above		Complete

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		in line with the MTFP and reserves strategy			
		<ul style="list-style-type: none"> <li>Ensuring agreed savings are owned across the Council by officers and lead members to ensure clear ownership and accountability for delivery</li> </ul>	<p>All departments have completed savings plans including equality impact assessments. These have been agreed by ED's, Members and other officers for 2022-23</p> <p>Embedding this improved process will take some considerable time</p>		Continue to work with Departments and embed the newly designed process On-going
		<ul style="list-style-type: none"> <li>Ensuring it puts in place a clear and transparent savings monitoring and reporting process, in order to ensure that council departments are held to account for delivery of required savings</li> </ul>	<p>This was completed to inform a fully engaged Scrutiny, stakeholder and Lead Members process during the 2022-23 budget process.</p> <p>The process for 2023-24 began during March 2022. Revised Budget timetable and processes have been shared with Cabinet and Finance Board for the 2023/24 budget process.</p>		Continue to work with Departments and embed the newly designed process  On-Going

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
21	Financial governance. Monitoring and controls relating to group entities	The Council should review and implement effective financial governance and monitoring arrangements for its group relationships to mitigate exposure to additional financial risk.	<p>A new Companies Finance Manager has been appointed in Summer 2022. We expect continued improvements to financial reporting and controls to be introduced as a result. Financial information provided for governance oversight purposes has continued to be strengthened and regularised to provide more assurance around financial risk.</p> <p>All audits are up to date - FY 21/22 audits are almost complete and are expected to be finalised in line with statutory requirements.</p> <p>The planning and approval of the GRE5 loan has enabled stronger oversight and reporting of all transactions between the Council and GRE5, including the appropriate</p>	S Mair	<p>On Track</p> <p>Reports to Audit and Corporate Governance Committee, as required</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
			<p>calculation of interest charges (payable to the Council) based upon loan drawdown.</p> <p>SUR, JEH, GRE5 all have standardised regular financial reporting and financial risk review.</p>		
22.	Addressing the S114 report	<p>The Council should put in place arrangements to address the issues raised by the S151 officer as set out in his section 114 report. In our view the Council should:</p> <ul style="list-style-type: none"> <li data-bbox="616 869 1108 981">• Report progress against the action plan to full Council at every meeting</li> <li data-bbox="616 1165 1108 1308">• Support the S151 officer's root and branch review of all aspects of the Council's finances</li> </ul>	<p>This has been done, and this report forms the latest version of this, with the exception of the budget Council and exceptional meetings of Council</p> <p>This work continues to expand as the magnitude of issues are identified and is reported as above</p>	S Mair	<p>Complete as evidenced by this FAP</p> <p>This is a continuous schedule of work</p> <p>This is a continuous schedule of work</p>

No.	Area	Recommendation	Action taken by Council	Officer Responsible	Status / Next steps
		<ul style="list-style-type: none"> <li>Invest significant extra resource in finance capacity, internal audit and risk management to ensure robust processes are brought into place across all of the Council's financial and budget management arrangements to meet statutory financial obligations.</li> </ul>	This has been done with the Council bringing in temporary skilled staff to identify and resolve current and historic issues, preparing a fit for purpose finance structure to take the Council forward on a permanent basis and continuing to develop and progress its reviews of the Council's finances		The Council's permanent structure has been agreed and consulted upon and recruitment has begun.
23	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>

**PROGRESS RESPONSE AND ASSESSMENT AGAINST DIRECTIONS (FINANCE ONLY)**

**APPENDIX 5**

Item	Directions Action	Action Taken by Council	Officer Responsible	Status / Next Steps
1	<p>A suitable officer structure and scheme of delegation for the Authority which provides sufficient resources to deliver the Authority’s functions in an effective way, including the Improvement Plan and its monitoring and reporting, prioritising permanent recruitment and/or longer-term contract status of interim positions.</p>	<p>The consultation phase of the Finance and Commercial services restructure completed on 27 July. The recruitment phase has now begun and will take place during September and October with an expectation of new appointments being in place by 31 December 2022.</p> <p>Finance and Commercial business plan drafted in February 2022 ahead of requirements for service plans and Improvement plan. Departmental contribution to improvement plan in place and operating as required. Finance action plan updated monthly during 2022.</p> <p>Longer term contract status of key finance interims resolved and senior team in place since April 2022.</p> <p>Commercial team being brought back in-house as part of restructure with interim arrangements in place in the meantime.</p>	<p><b>Steven Mair</b></p>	<p><b>Ongoing</b></p> <p><b>G</b></p>
3	<p>Following the review by the Authority of their companies within six months consider the roles and case for continuing with each subsidiary company of the Authority (except Slough Children First).</p>	<p>The Council had 10 companies excluding Slough Children First (which is not covered by this Direction). All but four companies have been formally closed down this year. SUR, JEH, GRE5 and DISH remain operational although plans have/or are being developed which are focused on transferring activity to the Council (where appropriate), the sale of assets or a corporate transaction (sale of business inclusive of assets).</p> <p>In line with previous reports provided to Cabinet, it is expected that the Council will exit GRE5 when the works to Nova House have been completed and the legal claim</p>	<p><b>Steven Mair</b></p>	<p><b>Ongoing</b></p> <p><b>A</b></p> <p><b>(The amber rating reflects the progress on the corporate elements of this matter)</b></p>

has concluded – this is expected to be in 2024. Cabinet will be requested to approved an exit route and a number of options are likely to be available to the Council if the works are completed satisfactorily and the legal claim is resolved. Bevan Britain have been asked to provide advice on regulatory and legal considerations to inform the most appropriate exit strategy. e.g. sale of freehold lease to a third party, leaseholder transaction.

Following an Options Review by Montague Evans, the SUR Partnership will not be undertaking any further major developments. This will significantly reduce the Council's capital commitments and financial risks over the next five years. The Partnership will be wound up following a series of land disposals over the next few years – each site disposal will be approved by the Cabinet. A site disposal strategy has been approved for NWQ and the full disposal transaction has been approved for Montem. Other sites will be considered by Cabinet in 2023.

Local Partnerships have reviewed JEH and have provided a series of options for the future operations. Cabinet will be requested to approve a preferred option(s) in March 20223 following the completion of further analysis (legal and financial) to inform the options. The DISH company is a lower risk and will be reviewed in the first quarter of 2023/24

**Major progress has been seen in the following areas:**

**SUR.** The Council has established a Corporate Oversight Board for **SUR** to strengthen governance and management arrangements, including oversight of a phased reduction in SUR's activities. New

Representatives (of the LLP) have also been appointed to oversee the changes and planned exit from SUR. Financial and performance reporting is regularised and now takes place on a quarterly basis. Cllr Matloob was appointed in Autumn 2022 as the final (of three) representatives to the SUR LLP Board.

Good progress has been made on the only ongoing SUR development project; the Old Library Site (OLS). Following the successful approval of First Homes Funding from Homes England in FY 22/23, apartment sales have accelerated and the Council's loan facility to the OLS is reducing significantly (from £9m to £2m). Less than 5 apartments remain unsold/not under offer which significantly reduces the risk of loan default and has a positive impact on the Council's cash position.

**GRE5.** Significant progress has been made to **GRE5's** financial planning and reporting, oversight and critical governance arrangements including the appointment of new external directors, the establishment of a new corporate oversight group and strengthened risk management. The Council's loan to GRE5 has now been fully executed following a financial review in FY 21/22 which identified that the Council's loans had not been approved in line with its Investment Strategy and was not implemented appropriately. Whilst building work is underway on Nova House, a number of additional structural issues have been identified which have had an impact on the ACM works and the resolution of the legal claim. A report is expected to be provided to Cabinet in December 2022 to provide a full update on the programme.



**JEH.** A **JEH** options appraisal has recommended a phased exit including the transfer of some assets to the Council. The report identified a series of additional workstreams which are inquired to inform the Options and the development of the detailed action and exit plan. The exit plan is scheduled for agreement by 31/3/23.

New Directors have been appointed for JEH in FY22/23 and monthly Board meetings have been reinstated from January 22. Board reporting including financial, performance and risk reporting has been redesigned to improve management and board effectiveness. A new SLA between the Council and JEH has been produced and approved in FY 22/23 and further improvements will continue to be made.

**DISH.** DISH was established in 1988 and has a lease with the Council for 54 properties; with the majority of tenants classed as long term tenants. DISH is considered to be a lower risk compared to other companies and an options review and exit strategy is scheduled to be complete by 30/6/23.

In October to December 2021, all Directors were replaced for JEH and GRE5. New Director role profiles were developed and standardised for both companies based upon an assessment of the specific requirements for each company. Internal appointments were made for JEH however due to the complexity and specific requirements of GRE5, external appointments were made. As an LLP, SUR has “representatives” and does not have “directors”. SUR representatives were reviewed and replaced in Autumn 2022 following a consideration of the specific requirements to implement the exit strategy and

		<p>associated disposals programme. In addition Cllr Matloob was appointed in Autumn 2022 to fill the final SUR role).</p> <p>All new directors were provided with induction training, including detailed briefing sessions on company matters, governance and other related matters. Formal contracts and terms of reference are in place for the appointments and each Director will be subject to an annual appraisal. Future training requirements will be monitored as the directors continue in role and the future direction and exit strategy evolves.</p> <p>In FY 2023/24 work will focus on DISH and the JEH changes.</p>		
4	In the first three months undertake an <b>assessment of the functional capability</b> of all service areas identifying the gaps in capacity and capability	<p>Functional Capability Assessments for Finance and Commercial were completed by the target date and submitted to Commissioners at the end of Feb 2022. These were supported by a detailed Business Plan for the Department.</p> <p>Since the approval of the Corporate Plan in May 2022 these documents have now been replaced by the new Corporate and Service Planning process. All Finance and Commercial service plans have been submitted in line with the COO's required timetable.</p>	Steven Mair	<p><b>Complete</b></p> <p><b>G</b></p>
5	...and within the first six months prepare and agree action plans to the satisfaction of the Commissioners.	The Finance Action Plan has been in place since late 2021. The latest template has been reported to Cabinet since May 2022 and has been subject to various refinements at the request of Commissioners.	<b>Steven Mair</b>	<p><b>Complete</b></p> <p><b>G</b></p>
6	An outline action plan to <b>achieve financial sustainability</b>	A comprehensive action plan was submitted as part of the capitalisation direction submission including options to close the long-term budget gap over the period of the	<b>Steven Mair</b>	<p><b>Ongoing</b></p> <p><b>G</b></p>

	<p>and to close the long-term budget gap identified by the Authority across the period of its Medium-Term Financial Strategy (MTFS)</p>	<p>MTFS up to 2028/29. This recognised the need for significant culture change and discipline if the plans were to be achieved.</p> <p>This is underpinned in the first instance by the budget for 2022-23 completed, submitted and approved by Council on 10 March 2022 underpinned by a comprehensive capitalisation direction bid to DLUHC. This set out the plans for achieving financial sustainability which are reflected in the outline Finance action plan submitted to Council each meeting (except budget ones). It was always envisaged that this would take at least 4 years to begin an adequate turnaround given the extent of the financial problems uncovered.</p> <p>The longer-term closure of the budget gap consists of the following outline plans all of which are well progressed:</p> <ul style="list-style-type: none"> <li>➤ agreement of a capitalisation direction with DLUHC, initially £307m for the period to 31/3/23. Also modelled through to 2027/28 and beyond - Agreed</li> <li>➤ sale of between £400m and up to £600m of assets, as agreed by Council in September 2021. Report from AY received – work also being actioned outside of this through finance, companies work, accounts completion. See report for revised estimates</li> <li>➤ annual recurrent additional revenue savings of £20m per annum up to and including 2027/28. This has been completed in design for 2022/23</li> </ul>		
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		<p>and is largely complete for 2023/24 and is now updated and reduced as shown in the body of the report. See report for revised estimates</p> <ul style="list-style-type: none"> <li>➤ completion of annual accounts up to 31/3/22 by the 31/3/23 and regularly thereafter. Good progress being made with 2018/19 now complete. This is seen as the basis for the following years.</li> <li>➤ a complete restructure of the finance service producing a fit for purpose structure and resources set aside to finance the gaps in the corporate core of the Council. Done – currently out to internal advert</li> <li>➤ a wide range of financial management improvements as reported separately in each financial action plan..</li> </ul>		
7	<p>In the first three months prepare and agree an Improvement Plan to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), with, resource allocated accordingly, and as a minimum, the following components...</p> <p>...An action plan to achieve improvements in relation to the</p>	<p>Training programme identified for Members is developed and being rolled out.</p> <p>Revised Terms of Reference for Audit and Corporate Governance Committee approved at a special meeting on 19 January 2022. Training given to new Committee members in July 2022.</p> <p>Annual Governance Statement for 2020-21 has been drafted and discussed with CLT in May 2022. Feedback has been received and an updated version drafted to reflect comments from CLT. Once the 2020/21 accounts are completed this will then be included in those statements and shared with Commissioners and Members.</p>	<b>Steven Mair</b>	<p><b>Ongoing</b></p> <p><b>G</b></p>

	<p><b>proper functioning of democratic services</b>, to include rapid training for council officers, a revised term of reference for the Audit and Corporate Governance Committee, and the agreement of an Annual Governance Statement for 2020-21."</p>	<p>Addenda to the 2018-19, 2019-20 and 2020/21 annual governance statements have also been drafted to reflect the position at the time they will be approved by Committee. The 2018/19 statement is included in the revised set of statements currently being audited.</p>		
8	<p>...An action plan to achieve improvements in relation to the <b>proper functioning of the scrutiny function</b>, to include a review of the Authority's strategic risk register to make it fit for purpose.</p>	<p>Strategic Risk Register reviewed and updated in November 2021. Refinement has taken place during 2022 in response to the CIPFA Report and an internal audit report. The latter is scheduled to be followed up in September 2022 and is expected to show significant progress.</p> <p>Revised structure of strategic risk register first reported to Audit and Corporate Governance Committee on 9 March 2022.</p> <p>New Risk Strategy developed and approved by CLT, Cabinet and Audit and Corporate Governance Committee during June and July 2022.</p> <p>Risk strategy paper presented alongside Risk Management strategy outlines the future developments expected during 2022/23 including improvements to risk culture, risk reporting, assurance programme, software solution and linkages with Departmental Risk Registers. Engagement with CLT on detailed risks began in July 2022 and has defined to the tone from the top which is</p>	Steven Mair	<p><b>Ongoing</b></p> <p><b>G</b></p>

		crucial to the development and importance of the Corporate Risk Register.		
9	...An action plan to achieve improvements in relation to the <b>proper functioning of internal audit</b> , which addresses outstanding management actions and includes the commissioning of an independent review of the internal audit contract and a fully costed plan for establishing an internal audit function that reflects best practice.	<p>Internal audit action plan submitted alongside functional capability assessment.</p> <p>Options report discussed and agreed by December 2021 Audit and Corporate Governance and approved at 1 March 2022 meeting. Report approved by Cabinet on 9 March 2022 to extend current IA contract for one year and new contract sealed in April 2022.</p> <p>Plans included within Finance and Commercial Services Restructure timeline to be completed by October 2022. Job descriptions completed and have been evaluated by Southeast Employers Organisation and discussed with Trade Unions as part of the Finance and Commercial Services restructure. Recruitment to an in-house team beginning in November 2022.</p>	<b>Steven Mair</b>	<b>Ongoing</b> <b>A</b>
10	...An action plan to achieve improvements in relation to the <b>proper functioning of the procurement and contract management</b> function, which includes an independent review.	<p>Action plan completed.</p> <p>Procurement and contract management action plan submitted alongside functional capability assessment. A Commercial improvement plan has been developed to implement and monitor service developments.</p> <p>New contract register has been developed and is being actively used to plan procurement activity and identify opportunities for savings.</p> <p>Commercial Services permanent restructure is tied in with the Finance and Commercial Services Department plans for completion by October 2022. Job descriptions have</p>	<b>Steven Mair</b>	<b>Ongoing</b> <b>G</b>

		<p>been drafted and submitted as part of the evaluation process noted in 8 above.</p> <p>Independent review carried out by an LGA Procurement specialist in February 2022.</p> <p>An interim solution has been procured to enable access to specialist advice and expertise. Approach shared with the Lead Finance Commissioner and tendered in April 2022.</p> <p>Plans on track to deliver the proper functioning of the procurement and contract management function.</p>		
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## Assumptions, Risks and Mitigations

## Appendix 6

Issue	Assumptions	Risks and Mitigations
Improved and accelerated assets sales leading to earlier financing and hence reductions in the MRP profiling	AY advisors work to generate £384m (£206m by 23/24) £65m from the work of the Council LSVT £200m (desk exercise)	Council does not plan for the service impacts of the sale of assets, principally effective from 23/24  <i>Newly appointed Executive Director will be able to take forward accommodation plan</i>
<b>Timing and value currently assumed are not achieved</b>		
<b><i>In the shorter term further budget savings will be needed. In the longer term the value and timing to achieve reduction in the CD do not yet include any receipts from LSVT which could generate from a desk exercise £200m</i></b>		
Improvements in the collection fund	The work on the accounts has identified £18m of secure income which will be accounted for ongoing in accordance with normal accounting practise through a smoothing reserve which will last until 2028/29	Subsequent years income may reduce  <i>The assumptions going forward assume no growth in the collection fund from B Rates. Thus a prudent approach has been taken</i>
Council tax	The Council will be able to increase C Tax by 2.99% pa  And for 2023/24 only will see a tax base increase of 2% and an increase in the collection rate of .1%	The restrictions on C Tax are reduced ie to lower than 2.99%  The one year only increase does not materialise  <i>No further assumptions of growth are assumed thus a prudent approach has been taken. No assumptions have been made about the Council being allowed increases above 2.99%</i>



Issue	Assumptions	Risks and <i>Mitigations</i>
Deliverability of savings	It has been assumed that savings as forecast at P4 are still deliverable in the full year	<p>The savings position deteriorates</p> <p><i>In 2022/23 we have provided £2.1m towards additional non-delivery of savings. In 2023/24 we have provided a further £1.6m.</i></p> <p><i>Services would need to continue to work with Finance and the PMO to develop mitigations over the remaining 6 months</i></p>
Funding settlement assumptions	It has been assumed that 2023/24 will see an increase as in 2022/23.	<p>The Council does not experience such a settlement</p> <p><i>The Council has assumed an inflationary pressure on contracts in 2022/23 of £5.9m excluding pay and energy contracts which has yet to materialise in actual specific contract renewals. This is now part of the base budget and may be available in 2023/24, to which a further £3m specifically provided for contracts has been added, together with other contingencies of £2.5m and savings contingency of £1.6m.</i></p> <p><i>The Council has built in for the inflationary and growth pressures c£11m from 2024/25, with additional allowance on the net cost of CD at 3-5% (£1-2m) and a reducing provision against non-delivery of savings in 24/25 to 26/27.</i></p>
Changes as accounts are produced	No assumptions made, as accounts produced, actual figures that differ from original assumptions are adjusted	<p>The Council's 2018/19 accounts have been extensively restated from those submitted in May 2021. Accounts beyond 2018/19 have not been previously prepared despite being several years overdue which may mean there could be some movement in the baseline level of reserves arising from issues identified as part of the accounts process such as:</p>

insufficient levels of provisions  
 incorrect accruals  
 erroneous debtor and creditor balances  
 incorrect accounting treatments  
 incorrect capitalisation  
 incorrect charges to transformation

*To mitigate, high risk areas have been reviewed and the financial implications have been built into the capitalisation direction*

Pressures services may face pay inflation, 7% over two years

Pressures may be more than assumed

*Pay inflation for 22/23 has been bolstered and based on the latest offer of £1,925 per person. For 23/24 it is provided for at £2m. This is estimated to provide c7% over two years.*

contract inflation at 11% over two years

*Rather than simply accepting and trying to absorb all inflationary pressures, services will need to collaborate closely with suppliers and service providers to reduce the overall expenditure required through further efficiencies and reductions.*

Social care reform at £7m over two years

*£7m has been provided across 23/24 and 24/25. The council is expected to be working towards addressing the pressures of social care reform but indications are that the full cost of implementation may be greater than the additional funding available from Government. While we have provided £7m towards this, it is probably too much for the council and other authorities to have to bear and so either more funding will be needed from Government or the implementation and hence costs in some way restrained.*

## Finance and Commercial Services - Improvement Plan

## Appendix 7

Objectives	What	By When
<b>Objective 1:</b>  <b>Develop capacity, capability, improve our culture and our customer services offer</b>	Develop a departmental culture strategy alongside corporate initiatives.	31 March 2023
	Implement a comprehensive Training and Capability Strategy.	From 1 February 2023
	Work with CIPFA on development centres and a development framework	November 2022 – March 2023 post recruitment
	Grow our own talent programme through apprenticeships	First cohort from January 2023
	Develop a productivity plan	30 June 2023
	Implement a succession plan	30 June 2023
<b>Objective 2:</b> <b>Improve Financial Reporting and Accounts closedown</b>	Complete all outstanding sets of accounts	30 April 2023
	Continually improve and develop the monthly reporting routines with the support of departmental management and members	30 April 2023 and on-going
	Implement a new process for completion and approval of the Annual Governance Statement for 2022/23 and future years	31 March 2023
	Revised assurance process for 2022/23 to be agreed by CLT	31 January 2023
	Rectification of the significant historical challenges with basic financial control processes and procedures – for example, reconciliations between systems, embedding quality control around the accounts processes, consistent completion of standard working papers, control and recording of assets etc.	31 March 2024

<p><b>Objective 3:</b></p> <p><b>Deliver Financial Sustainability and improved Medium-Term Financial Planning</b></p>	<p>Develop a Medium-Term Financial Plan that reflects the revised corporate objectives and integrates with other key plans for HR, assets and IT. Improve budget setting and strategic financial planning. We will provide finance training for Budget Managers and Members</p> <p>Training on revised Finance Procedure Rules for Members and Officers</p> <p>Improve efficiency of financial systems by continuing to reduce manual interventions.</p> <p>Obtain an independent review of all financial systems and controls as required by Directions</p>	<p>May 2023</p> <p>May 2023 for 24/25 budget</p> <p>31 March 2023</p> <p>31 March 2024</p> <p>30 April 2023</p>
<p><b>Objective 4:</b></p> <p><b>Improve business case capability to support decision making</b></p>	<p>Implement a business case review process and work with PMO to implement.</p> <p>Recruit specialist support to develop and train new recruits</p>	<p>31 March 2023</p> <p>31 March 2023</p>
<p><b>Objective 5:</b></p> <p><b>Implement an asset management and investment strategy.</b></p>	<p>Refine the Treasury Management and revised capital strategy in light of asset sales</p>	<p>31 October 2023</p>
<p><b>Objective 6:</b></p> <p><b>Establish a Procurement and Contract Management function</b></p>	<p>Improve value for money through the implementation of a contract management system</p>	<p>31 March 2024</p>
<p><b>Objective 7:</b></p> <p><b>Improve governance, counter fraud, internal audit, risk management and insurance</b></p>	<p>Recruit and develop an in-house Internal Audit Team. Recruitment adverts completed and live.</p> <p>New IA team to review Plan for 2023/24 and implement revised approach.</p> <p>Develop an Insurance Strategy and deliver the Insurance Renewal programme</p>	<p>November 2022- March 2023</p> <p>30 July 2023</p> <p>31 March 2024</p>

	<p>Implement and embed an Enterprise Risk Management Framework</p> <p>Review the Counter Fraud and Corruption risk assessment , plans and develop regular reporting to the Audit and Corporate Governance Committee.</p> <p>CIPFA review of Counter Fraud arrangements</p>	<p>31 March 2024</p> <p>31 March 2023</p> <p>31 December 2022</p>
<p><b>Objective 8:</b></p> <p><b>Improve Revenues, Benefits and Charges service</b></p>	<p>Recruit and develop an In-house team whose costs are comparable with statistical neighbours</p> <p>Implement the Revenues Benefits and Charges Improvement plan</p> <p>Explore and improve the use of available technology to improve value for money.</p>	<p>31 October 2023</p> <p>31 March 2024</p> <p>31 March 2023</p>

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## Slough Borough Council

<b>Report To:</b>	Council
<b>Date:</b>	22 November 2022
<b>Chief Officer:</b>	Stephen Brown
<b>Contact Officer:</b>	Sarah Hayward
<b>Ward(s):</b>	All

### PART I FOR INFORMATION

#### RECOMMENDATIONS OF CABINET FROM ITS MEETING HELD ON 21 NOVEMBER 2022 – IMPROVEMENT AND RECOVERY UPDATE

##### **1. Summary and Recommendations**

- 1.1 This report provides the expected recommendations of the Cabinet from its meeting to be held on 21<sup>st</sup> November, to ask Council to note the progress being made against each of the Secretary of State Directions issued in December 2021, and the overall council recovery plan.
- 1.2 This report focuses on the directions as that has been the main focus of recent work and assessment of progress in delivering against them will be a key focus of the Commissioners' next report to Government.
- 1.3 This includes an outline of the various action plans that the Council was directed to put in place to address specific issues.
- 1.4 It is intended that further update reports will be brought to Cabinet and Scrutiny on a quarterly basis, with exact timings dependent on the cycle of Commissioner's reports to Government. This is in addition to stand alone reports on specific recovery themes and improvement activities.
- 1.5 This report was also considered by the Overview & Scrutiny Committee on 17<sup>th</sup> November 2022. Any amendments to the recommendations arising from the scrutiny and cabinet meetings will be reported to Council on 22<sup>nd</sup> November.

##### **Recommendations:**

- 1.6 Council is requested to consider the Cabinet's recommendations to note the progress made by the Council in addressing the Directions of the Secretary of State.

##### **Reason**

- 1.7 The Council is necessarily having to address a wide range of problems and issues identified by a series of external reviews in 2021 which resulted in the Secretary of State determining that the Council had failed in numerous ways to comply with its best value duty, necessitating the issue of Directions and appointment of Commissioners from 1 December 2021.

- 1.8 This report provides an update against the progress the Council has made in addressing each of the detailed Directions and the next steps to further embed the required changes.
- 1.9 This will address a combination of financial and governance failings to improve the way in which the Council operates.
- 1.10 It is essential that the Council is transparent in its reporting against the Directions to residents and wider stakeholders to build wider confidence in its journey to recovery and improvement.

## **Commissioner Review**

The Commissioners comments for the scrutiny and Cabinet report was as follows:

*“Slough Borough Council is approaching the end of the first year of the Secretary of State’s intervention. Commissioners’ views on progress will be set out in their letter to the Secretary of State which will be sent in December.”*

## **2. Report**

### **Introduction**

- 2.1 As Members are aware and have previously been advised the Council has received the following:
  - statutory and non-statutory recommendations from the external auditor,
  - a significant number of recommendations from internal audit,
  - a s114 notice from the Director of Finance,
  - External assurance reports commissioned by Department for Levelling Up, Housing and Communities (DLUHC) to review financial management and governance. Both reports identify significant weaknesses in financial management processes, governance and internal control,
  - 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 In response the Council has taken a number of short- and medium-term steps, including approving a new Corporate Plan that set out its strategy for improvement. A series of reports on progress against these has been presented on a regular basis over the past few months.
- 2.3 In recent weeks the council has developed a holistic and corporate approach to reporting the progress we are making which gives all stakeholders a more transparent view of where the council is in driving forward improvements

## **3 Options considered**

- 3.1 The recommended option of regular public reporting is an essential part of Slough’s recovery to ensuring transparency and accountability and to allow effective scrutiny.



- 3.2 Other options would be to continue to report on stand-alone recovery themes or to use the Improvement and Recovery Board for this purpose. Whilst there will continue to be stand-alone reports on specific items, it is recommended to have a corporate report pulling the themes together. It is not recommended to rely solely on the Improvement and Recovery Board, as this is a commissioner led body which is not held in public and attended by only a small number of elected members.

## **Background**

- 3.3 It is now almost 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 Officers have reported regularly to elected members on progress, however it has not reported holistically on progress against its Corporate Plan/Recovery Plan which was agreed in May 2022. This report seeks to address that gap now and in the future. At this stage there is a single report covering specific work on the directions, in future it is expected reporting may include fuller reporting on the corporate plan, and/or deeper dives in to individual Directions or other recovery workstreams.
- 3.5 In recent weeks the Council has also made a number of senior level appointments to Corporate Leadership Team including the Chief Executive position. This has created more of a sense of stability and an ability to oversee a refreshed corporate approach to improvement and recovery. In addition, new resource has been created at a corporate level to build greater functionality to design the recovery programme and support delivery.
- 3.6 In part as a result of those appointments, the council now has better capacity to be able to take a more strategic approach to delivering and reporting progress against the directions which has resulted in this corporate reporting.
- 3.7 Prior to the IRB held on 3 November, senior officers and commissioners spent significant time together to ensure a common understanding of the demands of the Directions on the council, progress so far and next steps. Further work and reporting will be undertaken by the next Board in early December and before the next commissioner report to DLUCh.
- 3.8 For these reasons, the appendix to this report presents an overview of the workstreams in place to address each of the Directions. The Appendix sets out a new reporting template that has been agreed with Commissioners to signpost the direction of travel, the status of improvement and next steps.

## **4 Implications of the Recommendation**

### **Financial implications**

- 4.1 There are no direct financial implications as a result of the recommendations contained in this report.
- 4.2 This progress update report is intended to complement existing financial reporting in particular against the Financial Action Plan.

### **Legal implications**

- 4.3 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.

4.4 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.

4.5 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**

4.6 The table below sets the key risks

<b>Risk</b>	<b>Summary</b>	<b>Mitigations</b>
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 value duties or other legal duties leading to increased legal challenges to decision-making and further statutory intervention.	Appointment of new interim Monitoring Officer to bolster capacity at senior management level. 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**

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

### **Equality implications**

4.8 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**

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

### **Workforce implications**

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

### **Property implications**

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

## **5. Appendices**

Appendix 1 – Report to Improvement and Recovery Board 3 November 2022

## **6 Background Papers**

Democratic Governance Action Plan  
Scrutiny Improvement Action Plan  
Companies Governance Action Plan

Strategy and Transformation

# Improvement and Recovery Board

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Progress Report  
31-Oct-22







*Report Owner: Stephen Brown, Chief Executive*  
*Report Author: Tom Overend, Strategy & Policy Lead*

## Agenda

1. Welcome, Introductions & Declaration of Interests. Lead Commissioner
2. Actions from previous Improvement and Recovery Boards. Lead Commissioner/Secretariat
3. Decisions Required at this Meeting. All
4. Headlines. Leader
5. Improvement and Recovery Plan Updates. Leader/CEX
6. Financial Update. Cab Mem: fin. oversight & council assets
7. Asset Disposal Summary. S151 Officer
8. Democratic Governance and Scrutiny Action Plan. Monitoring Officer
9. Internal Audit Action Plan. S151 Officer
10. Procurement and Contract Management Action Plan. S151 Officer
11. Information Technology Action Plan. COO
12. Senior Recruitment Update. CEX
13. Cultural Change Programme. COO
14. Subsidiary Company Review. S151 Officer
15. Evidence Based Decision Making. COO
16. AOB. Lead Commissioner
17. Appendices.




# Welcome, Introductions and Declarations of Interests

## Open and Closing Actions

Ref	Status	Description of Action	Date Raised	Raised By	Owner	Progress	Date Last Updated	Target Date	RAG
AC-001	Open	Lucy Storr to discuss how and where to bring a longer-term vision for Slough Borough Council with Gavin Jones and team.	16-Jun-22	IRB	Lucy Storr	<b>27/07/22</b> - In progress. Stephen Brown and Max Caller discussed on <b>26/07/22</b> .	26-Jul-22	30-Jun-22	
AC-002	Open	Commissioners to set up a working session with a cross-party group to discuss how to implement recovery plans at the same time as running council services.	28-Jul-22	IRB	Max Caller	<b>29/09/22</b> - TBC: Original date no longer available.	29-Sep-22	31-Aug-22	
AC-003	Open	Stephen Brown committed to providing a regular savings monitor to lead Members.	22-Aug-22	IRB	Stephen Brown	<b>29/09/22</b> - Status to be confirmed.	29-Sep-22	28-Sep-22	
AC-004	Open	Cllr Swindlehurst to meet Alex Polak to discuss investment in Member and Officer training.	22-Aug-22	IRB	Cllr Swindlehurst	<b>17/10/22</b> - Leader and other key member stakeholders are meeting regularly with Head of Governance and Scrutiny. Standards Committee now has Member Development in its ToR and the Chair has been approached. Scrutiny training delivered and further bespoke support planned via CfGS (LGA-funded) proposals. Other member development in-year is underway via the LGA (we are tracking uptake) and an updated member development plan in development with strong emphasis on new member induction in 2023. Member/officer work under discussion in context of LGA support.	29-Sep-22	28-Sep-22	
AC-005	Open	Provide Members with a three-page report on budget for their portfolio. The Board agree, Stephen Brown to action.	25-Aug-22	IRB	Steven Mair	<b>17/10/22</b> - Steve is preparing information for the next meeting.		TBC	
AC-006	Closing	Future reports to the Board should include an update on compliance with the Intervention Directions	29-Sep-22	IRB	Stephen Brown	<b>13/10/22</b> - New style reporting for the IRB has been agreed and will be delivered for the Nov Board, with an expectation on continued development as we go forward.	13/1-/22	29-Sep-22	



## Open and Closing Actions

Ref	Status	Description of Action	Date Raised	Raised By	Owner	Progress	Date Last Updated	Target Date	RAG
AC-007	Open	Stephen Brown agreed to take forward work to look into lessons learned from the capability assessments done as part of the 'Our Futures' restructure, including how the organisation who did 'gate one' assessments were commissioned and if scrutiny/audit should be involved in this processes.	29-Sep-22	IRB	Stephen Brown			TBC	
AC-008	Open	Cllr Smith and Cllr Swindlehurst to discuss the detail of Cllr Smith's work with the property management company involved with the new Director of Housing and Property when they are in-post.	29-Sep-22	IRB	Cllr Smith Cllr Swindlehurst			TBC	
AC-009	Open	Max Caller suggested having a regular meeting with the DfE Commissioner, Leader, Cabinet Member and any others they want to bring on a regular basis, noting that this may be most efficient on a day where there is a 'Getting to Good' Board planned. Lucy to raise with DfE Team / Commissioner.	29-Sep-22	IRB	Lucy Storr			21-Oct-22	

### Reporting & Assurance

- A new framework for reporting and assurance has been developed, including this revised slide deck.
- The framework has a closer focus on the directions.

### Strategy & Transformation

- Leadership capacity has been significantly increased in Strategy & Transformation.
- The council is now in a position to develop the necessary programme management, governance and assurance arrangements.
- In collaboration with CLT and SLT, this will bring greater drive and rigour in the implementation of the corporate plan and the delivery of the directions.
- The initial service plans have been completed. SLT is now overseeing their further development and ensuring a coherent approach across SBC – see Functional Capability Assessments.

### **Culture Change, Structure & Workforce**

- Stephen Brown has now been appointed Chief Executive.
- He will be overseeing the creation of a team to develop and lead a comprehensive culture change programme. The team will be advised by an experienced consultant – Nick Kemp – who has agreed to support SBC on a part-time basis.
- An internal communications plan has been developed and will be rolled from November. This will pick up key themes the culture change programme needs to address.
- We have also launched a revised performance management framework and second set of mandatory training.
- The Standards Committee has received reports on whistle-blowing policy, Member register of interests, learning from Committee for Standards in Public Life, and code of conduct complaints.
- Training has been provided to top three tiers of officers on member and officers' roles and responsibilities and the member officer protocol.
- The council's Race Equality and Celebrating Heritage (REACH) Network has hosted a special event for Black History Month.

### Financial update

- There has been notable progress in the submission of accounts.
- Asset sales are currently forecasting up to circa £200m in 2022/23. There is a major risk if the sales do not materialise. The capitalisation direction is showing a major reduction, arising from the above.
- Significant progress has been made in the savings delivery risk assessment with services.
- The new finance structure has been approved, recruitment will complete Autumn 22, subject to candidates.
- The financial strategy is unchanged and starting to come to fruition

### **Governance & Scrutiny – see Democratic Governance and Scrutiny Action Plan**

- New Monitoring Officer – Stephen Taylor – has been appointed, with Principal Lawyer continuing to support as deputy MO.
- He will be establishing a new Governance working group, to oversee the further development and deliver of the democratic governance and scrutiny action plans.
- Scrutiny is setting up three focused Task and Finish reviews on Contracts, Complaints and SCF business planning; is preparing for scrutiny of budget/savings in Nov-Dec and preparing proactive Council response to final CfGS report for publication end of November.
- Completion of SCF governance review.
- Continued improvements on quality of member level reports.
- Corporate Schedule developed and launched with guidance and directorate-level shared ownership/accountability- timescales clarified and better publicised amongst senior leadership for decision-making reports and processes including Cabinet and Asset Disposal Sub-Committee.






### **Creation of Housing & Property Directorate**

- The consultation and implementation splitting services from Place and Community to Housing & Property has been completed, creating two separate directorates.
- The ED for Housing & Property has now started.
- A transition with officers is underway to ensure that there is continuity in service provision.
- This will improve leadership capacity and address many legacy issues arising from the Our Futures restructure.



### **Contract Management**

- The council has implemented a centralised contracts register to improve the management and oversight of contracts and allow the council to plan procurement activity more effectively.
- Recruitment has been initiated to move towards a permanent in-house team.

# Commissioner's Directives Progress Summary





Ref	Direction	CLT Lead (Strategic)	SLT Lead (Operational)	Member (Political)	Target Completion	RAG		Commentary / Progress
						Curr.	Trend	
1	Functional Capability Assessment	Sarah Hayward	Dean Tyler		01-Dec-22		=	14/10 - Service plans have been completed, which will address gaps in capability. These are continuing to be iterated to ensure coherence across services and alignment with the corporate plan. SLT will act as the governance body for the service planning. Next steps are to develop reporting arrangements for monitoring progress in delivery, and ensure lessons for next year are captured.
2	Avoid Poor Governance or Financial Mismanagement	Steve Mair	Steve Muldoon / Liton Rahman	Leader / Cabinet Member for Financial Oversight & Council Assets	Continuous		▲	28/10 - Extensive finance business plan completed March 2022. Developed a medium and long term financial planning framework. Implemented changes to obtain best value for money. Ensuring financial implications of decisions are understood. Improving capacity, capability and culture to enable future success and monitoring of progress through the Finance Action plan. Embedding strong Financial Governance and risk management. Further improvements in Governance and Culture across the council will also contribute towards the delivery of this direction.
3a	Financial Sustainability Action Plan	Steven Mair	Steve Muldoon / Liton Rahman	Leader / Cabinet Member for Financial Oversight & Council Assets	31-Mar-29		▲	13/10 - The Finance action plan covers 10 years in detail from 2015/16 to 2024/25 and is supplemented by a 14 year active financial model (to 2028/29). Key elements are: Accounts, Assets sales, Capitalisation direction, Revenue budgets, Borrowings, MRP, DSG, Internal audit, Risks and mitigations Finance structure and Directions/recommendations from DLUHC, GT, CIPFA, Directions. The plan is regularly updated.
3b	Democratic Governance Action Plan	Stephen Tayler	Alexander Polak	Leader	01-Dec-22		▲	17/10 - The Monitoring Officer completed the latest Democratic Services Action Plan in September, with continuity from the relevant sections of earlier finance action plan reports, and clear links back to DLUHC directions and various external inspection findings. The sections include: decision-making, Audit, Scrutiny (see below), Member-Officer relations, whole-council elections and companies governance. It remains a live document.
3c	Scrutiny Action Plan	Stephen Tayler	Alexander Polak	Chair, Overview & Scrutiny Committee	01-Oct-22		▲	17/10 - The Monitoring Officer completed the latest Democratic Services Action Plan in September (as above) including a section on Scrutiny showing clear links back to the DLUHC directions and various external inspection findings. A proactive Council response to final CfGS report is in development for publication at the end of November which will update the scrutiny action plan, which remains a live document

# Commissioner's Directives Progress Summary

Ref	Direction	CLT Lead (Strategic)	SLT Lead (Operational)	Member (Political)	Target Completion	RAG		Commentary / Progress
						Curr.	Trend	
3d	Internal Audit Action Plan	Steven Mair	Mike Thomas	Cabinet Member for Financial Oversight & Council Assets	31-Mar-23			<b>19/10</b> - Pre <b>21/22</b> internal audits - there are now 235 actions or 85 per cent completed from a total of 276 actions. Pre-21/22 internal audits - there are now 103 actions or 36% completed from a total of 279 actions. 20% are not yet due for completion. As per the direction, the existing service has been revised and a fully costed internal audit function has been completed
3e	Procurement and Contract Management Action Plan	Steven Mair	Clare Priest	Cabinet Member for Customer Services, Procurement & Performance	12-Jan-23			<b>20/09</b> - Work has been progressing well to fully capture / document SBC contracts that are in place, and to ensure suitable ownership / management internally.
3f	Information Technology Action Plan	Stephen Brown	Simon SharkeyWoods	Cabinet Member for Customer Services, Procurement & Performance	11-Jan-23			<b>22/09</b> - Simon Sharkey Woods has been confirmed as Associate Director Chief Digital & Information Officer. <b>17/10</b> - Draft high level goals that align to government directions, corporate plan and the need to drive savings being developed.
3g	Officer Structure and Scheme of Delegation	Gavin Jones	Sarah Wilson (MO)	Leader	01-Oct-22			<b>22/09</b> - Appropriate new hires to complete the senior officer structure are progressing well, incl. the Head of Comms and Associate Director of Transformation. <b>21/09</b> - Where possible, and as 'Directed' permanent appointments are being sought, however a pragmatic approach and interims are being hired where appropriate to move forward quickly.
4	Improvement Plan Monthly Reporting	Sarah Hayward	Tony Wisken	Leader	01-Nov-23			<b>14/10</b> - First new style reporting with improved content and evidence produced for the Oct-22 IRB. <b>22/09</b> - Initial draft produced for review with Improvement and Recovery Board.
5	Cultural Change Programme	Stephen Brown	Surjit Nagra	Leader	03-Mar-23			<b>14/10</b> - Recruitment of a suitable lead Officer is underway, however this has not prevented progress to get underway within individual directorates in response to the overall themes of the Directions. Once the new lead Officer is in position a formal Programme will be put in place to pull this good work together, establish an oragnisational level plan and track effectively.



## Commissioner's Directives Progress Summary

Ref	Direction	CLT Lead (Strategic)	SLT Lead (Operational)	Member (Political)	Target Completion	RAG		Commentary / Progress
						Curr.	Trend	
6	Subsidiary Company Review	Steven Mair	Steve Muldoon	Cabinet Member for Financial Oversight & Council Assets	02-Apr-23			<b>19/10</b> - The Council had 11 companies - one (SCF) is excluded from this direction, six have been shut, three are currently being very actively managed. Major progress has been made in governance, asset sales, financial information, directors. Would be green were it not for outstanding issues relating to shareholders.
7	Evidence Based Decision Making	Sarah Hayward	Sarah Wilson (MO)	Cabinet Member for Customer Services, Procurement & Performance	02-Apr-23			<b>14/10</b> - Internal restructure has implemented improved structures and leadership for the Data & Insight Functions. Additional evidence of the decision making processes has been included in the IRB reporting.

An extensive finance business plan completed March 2022 set out our vision to ensure the long-term financial sustainability of Slough by making sure every pound of public money is spent wisely and the financial implications of all decisions are understood.

We have:

- Developed a medium and long term financial planning framework – now embedded in the work around the capitalisation direction, approach to savings, budget and financial reporting processes.
- Implemented changes to obtain best value for taxpayers money – through changes to the Commercial team and better understanding of contracts and contract management; use of the ECP process to challenge all expenditure, revision of contract procedure rules and associated training.
- Ensured the financial implications of decisions are understood – developing business case analysis and reviewing council companies; improved risk management arrangements.
- Operated an efficient and effectively customer focussed department – reviewing the systems and processes and the way in which Agresso has been utilised, reviewing our teams development and training needs, succession planning.

We have also:

- Improved capacity, capability and culture to enable future success – through the departmental restructure, the recruitment of experienced interims to assist with all aspects of the change agenda; and monitoring of progress through the finance action plan.
- Embedded strong financial governance and risk management – completing annual accounts; reviewing previous annual governance statements; developing new financial procedure rules; agreeing a revised risk management strategy and supporting processes; introducing a S106 governance group with a framework being developed and a monitoring function to be introduced.

## Governance

### Progress:

- Report templates for all member level decision-making have been amended to include a commissioner comments section and with commissioners consulted as part of clearance process.
- Officer training has been devised and delivered to top three tiers of management on local government decision-making, following consultation with commissioners on topics covered and content of presentation.
- Cabinet portfolios have been refreshed to align with corporate plan and priorities.

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### Next steps are:

- To devise a bite size training programme for officers to cover a variety of topics on good governance.
- Working with the commissioners and their chief of staff to devise a framework for commissioner decision-making and advice and guidance.

2023/24 Savings Delivery Risk Assessment (figures in £'000s)

As @ 31-Oct-22	Saving Totals		Deliverability RAG Assessment					Saving Mitigations		
Function	Original (Baseline)	Total so far (excl. Non-Deliverable)	Non-Deliverable	Red (no credible plan)	Amber (at risk)	Green (on track)	Delivered	Agreed Sustainable	Agreed One-off	Proposed
Adults	4,873	4,962	0	0	1,504	3,458	0	0	0	0
Childrens	790	0	0	0	0	0	0	0	0	0
COO	1,277	184	100	0	140	44	0	0	0	0
COO/Finance	667	667	0	0	0	667	0	0	0	0
Finance	2,292	0	0	0	0	0	0	0	0	0
Place	4,902	4,902	0	406	1,000	3,496	0	0	0	0
Cross-Council	1,800	0	0	0	0	0	0	0	0	0
<b>Total Slough Savings</b>	<b>16,601</b>	<b>10,715</b>	<b>100</b>	<b>406</b>	<b>2,644</b>	<b>7,665</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			0.6%	2.4%	15.9%	46.2%	0.0%			

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<b>Movement from Previous Period</b>	100	406	2,644	7,665	0
<b>Previous Period</b>	0	0	0	0	0

## Accounts

- The 18/19 accounts have been submitted. These are likely to be audited by December and be a limitation of scope opinion. The audit work is under review.
- The 19/20 accounts have been submitted.
- The 20/21 accounts will be submitted in January 2023.

## Budget

- Budget for 2022/23 – the month six forecast is currently being prepared and is projecting the Council will be within budget.
- The 2023/24 budget development continues, and the savings challenge is currently in progress.
- Proposals are also starting to be gathered for 2024/25.

## Structure

- The new finance structure has been approved, recruitment will complete Autumn 22, subject to candidates.

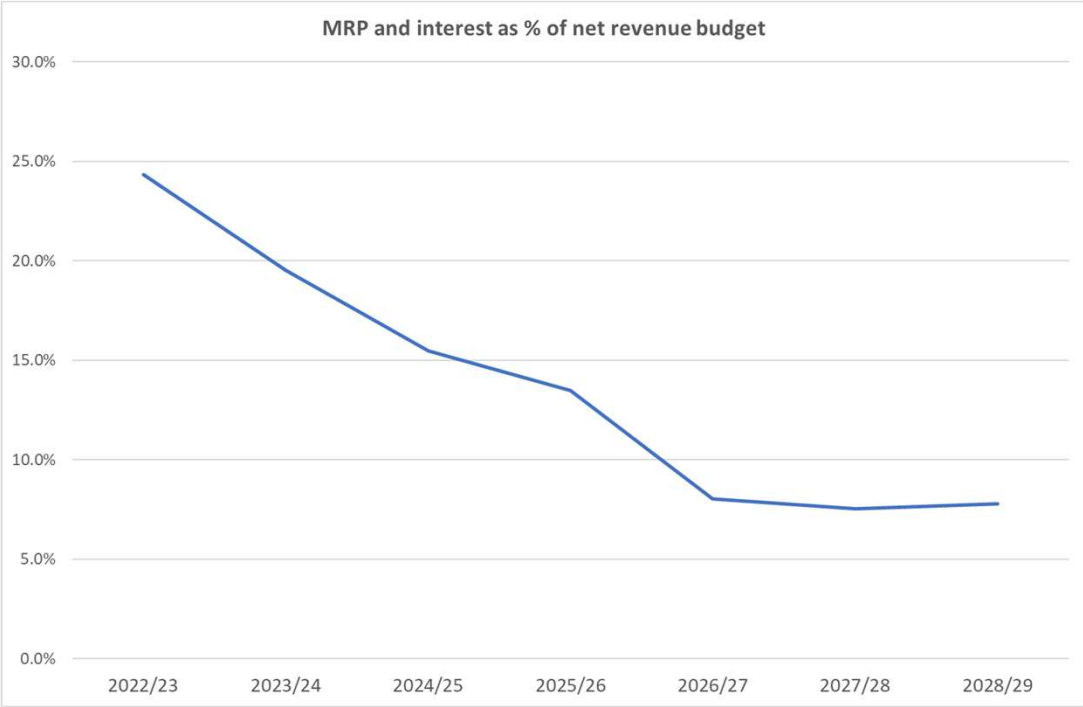
## Assets and Capitalisation

- Asset sales are currently forecasting up to circa £200m in 2022/23.
- This is a major risk if the sales do not materialise, currently assuming the sales come in according to current estimates, if so the Council is well in advance of the budgeted position..
- The capitalisation direction is showing a major reduction, largely, but not solely, arising from the above.

## Dedicated Schools Grant

- The DSG is forecasting to be balanced by 2025/26.
- Council on track to submit initial proposal for addressing in-year deficit by 13 January 2023.
- Final proposal required by 3 February 2023.
- Notification of approval expected in March 2023.
- Could result in write off of £27m of deficit.
- DfE very complementary about the Council's work on this.

All figures are volatile and subject to change.





The disposal programme commenced in July 2022 with the four out of borough assets.

Since then, eight properties have been brought to the market of which zero have completed, five are under offer and three are currently on the market. To date the disposal programme has generated £0.00m in capital receipts.

Within AY's Asset Review Report (dated July 2022), the potential receipt for this financial year (2022/2023) totals £108.00m. However, a total of £208.58m is now anticipated for the end of this financial year, out of which £0.00m has been received in capital receipts.

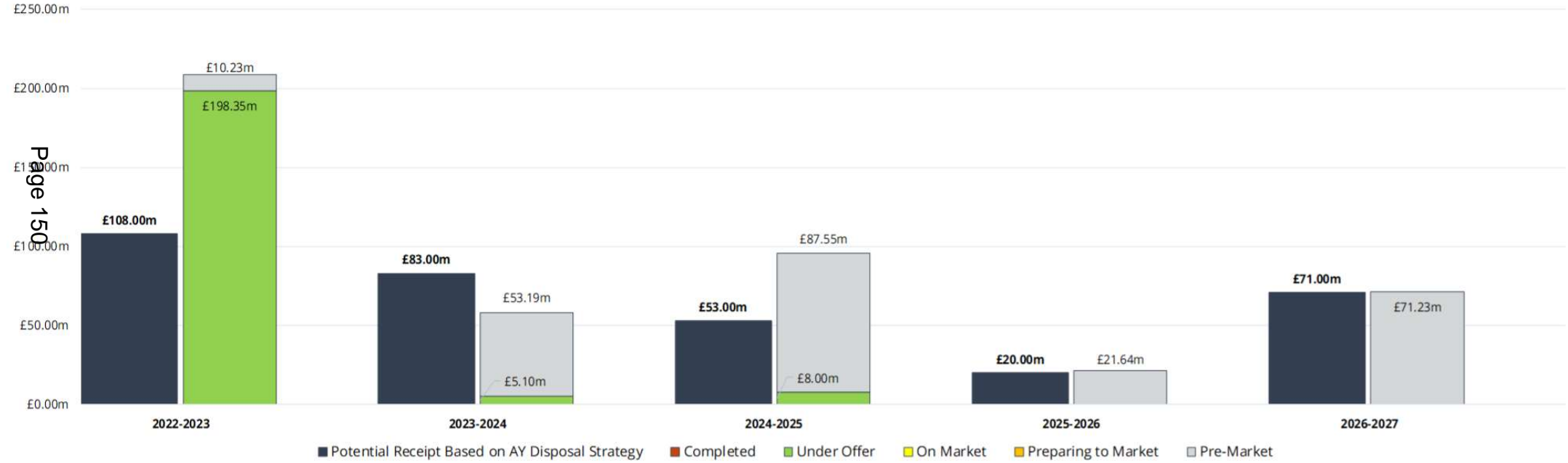
There are 20 properties on the disposal list for this financial year (2022/2023). Of these 20 properties, zero have completed, five are under offer and three are on the market.

	2022/2023		2023/2024				2024/2025				2025/2026				2026/2027			
	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027
<b>Cumulative Potential Receipt Based on AY Disposal Strategy</b>	£108.00m		£191.00m				£244.00m				£264.00m				£335.00m			
<b>Incremental Potential Receipts</b>	£108.00m		£83.00m				£53.00m				£20.00m				£71.00m			
<b>Cumulative Anticipated Receipts</b>	£208.58m		£266.87m				£362.42m				£384.06m				£455.29m			
<b>Incremental Anticipated Receipts</b>	£208.58m		£58.29m				£95.55m				£21.64m				£71.23m			
<b>Actual Receipts</b>	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m

Progress Chart



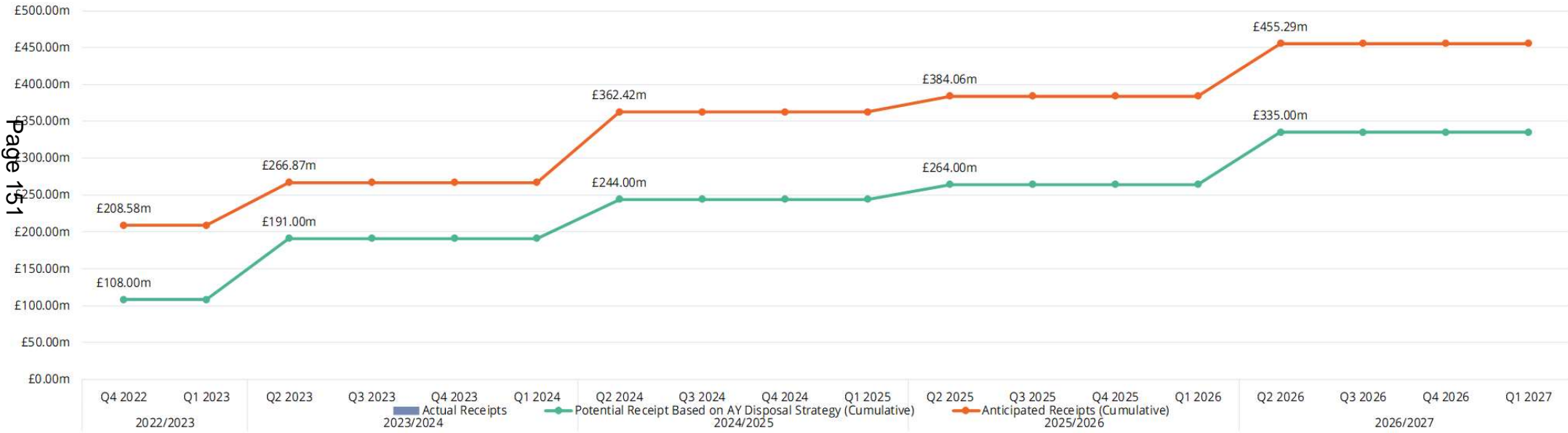
Baseline Receipts from AY Disposal Strategy vs. Current Progress





Cumulative Disposals

Cumulative Target vs Cumulative Forecast vs Actual



**Progress**

- New Monitoring Officer (MO) – Stephen Taylor – has been appointed, with Principal Lawyer continuing as deputy MO.
- New Head of Governance and Scrutiny appointed, working with Principal Lawyer to support MO with delivery of governance improvement and undertake statutory scrutiny officer role.
- One overarching, governance action plan prepared, this will complement new cabinet and full council formal corporate reporting formats.
- Continued improvements on quality of member level reports, including reports on asset disposal decisions, to include clear valuation evidence, new asset disposal strategy and a split part 1 / part 2 reporting methodology.
- We have reviewed the complaints handling process – with findings included in the annual report to Audit and Corporate Governance Committee.
- A report has been prepared for Customer and Community scrutiny, to set up a Complaints Task & Finish Group.
- A review of member casework is also being undertaken.

**Progress continued**

- Corporate Schedule developed and launched with guidance containing a forward look for Member and senior officer decision-making up to 2023 election. The process embeds accountability and improves co-ordination of corporate activity.
- Officer training on local government decision-making delivered to top three tiers of management.
- Cabinet portfolios have been refreshed to align with corporate plan and priorities, as well as to creating greater capacity for leadership of the council's recovery and financial strategy.
- A further refresh is expected following the May elections, to improve alignment with the new directorate structure.
- The Governance review of SCF is complete and to be presented to SCF and Cabinet to agree recommended actions.
- Officer training on report writing and decision-making in local government has been developed.
- Amendments to the Constitution in relation to democratic decision-making, including: public participation rules in cabinet meetings; backbench member participation rules in cabinet meetings, new asset disposal cabinet committee; and changes to reserved functions to clarify decisions to be made at cabinet level.

**Next actions**

- establishing a new Governance working group, lead by the MO, to oversee the further development, and delivery, of the democratic governance and scrutiny action plans.
- Devise a framework for commissioner decision-making and advice and guidance.
- Programme of Member/Officer culture change to be further developed, starting with exploration of themes and issues already identified, new themes and issues will be added as identified.
- Further Officer governance training on key governance themes, including member officer relations and report writing.
- Ensure role of MO, position in structure and management responsibilities is reviewed as part of the wider senior leadership changes.
- Deliver whole-council elections, along with a programme of work aimed at realising the opportunities offered, including member support, member-development, constitutional and process improvement, member & officer culture and behavioural change, and developments to the council's short, medium and long-term strategic planning.

## Progress

- Experienced interim officer commenced as Statutory Scrutiny Officer in July.
- Funding has been agreed to reinstate some operational capacity for ongoing scrutiny support within the Democratic Services team, subject to successful recruitment
- Bespoke training will be delivered to all members of scrutiny following May 2023 election
- Annual work planning event took place, leading to three focused task and finish groups being set up and work commencing.

## Next actions

- Progress three focused Task and Finish reviews on Contracts, Complaints and SCF business planning, prepare for scrutiny of budget/savings in Nov-Dec; develop medium-term work programmes following; and prepare proactive Council response to final CfGS report for publication for the end of November.
- Recruit officer resource to team
- Continued officer and member training on role of scrutiny pre-and post-election
- Annual work planning event spanning the elections to blend experience and new ideas

Progress on actioning internal audits was slow or non-existent for several years.

### **Pre 21/22 internal audits:**

- Progress has been made in closing down management actions from previous financial years.
- There are now 235 actions or 85 per cent completed from a total of 276 actions.

### **21/22 internal audits:**

- There are now 103 actions or 36% completed from a total of 279 actions.
- 20% are not yet due for completion.

### **22/23 internal audits:**

- Internal audit plan agreed in July 2022 – 6 assignments in progress
- Reports on progress of implementing recommendations are made to every Audit and Corporate Governance Committee, the Risk and Audit Board and the CLT Assurance meetings.



## Progress

- Revised terms of reference for Audit and Corporate Governance Committee, including separation of Standards Committee from Audit function was completed and approved in January 2022.
- Key recommendation from CIPFA / DLUHC was to undertake option appraisal of Internal Audit. This was completed and agreed by Cabinet in March 2022.
- Training for Audit and Corporate Governance Committee members, co-delivered by officers and the LGA in July 2022. Further training being set up for future meetings.
- Improved reporting to Audit and Corporate Governance Committee on risk management (against new risk management strategy) and progress against internal audit actions.
- Internal Risk and Audit Board identifying themes to inform improvements. Discussion with internal audit to move annual audit plan to move thematic basis to better target risk.

**Next steps**

- Recruitment to new in-house internal audit team by Q1 2023– adverts out week commencing 31 October
- Responses to IA recommendations reported monthly to CLT assurance meeting and quarterly to Audit and Corporate Governance Committee.
- Revised audit plan to July 2023 Audit and Corporate Governance Committee.
- Quality review of new IA function to be scheduled for 2024.
- Training programme for members to be delivered during 2023/24.

The contract register is being actively used to identify procurement activity to ensure this is done in a timely way, and to identify opportunities to make savings through contract re-procurement.

Staff training has progressed to ensure the organisation is well informed on governance.

A report on progress went to Cabinet on 17/10.

### **Key improvements to date**

Improving the council's contract procedure rules and procurement and contract management governance, to improve decision making at the appropriate levels.

- Informing staff through a training programme.
- Implemented a centralised contracts register to improve the management and oversight of contracts and allows the council to plan procurement activity more effectively.
- Moving away from relying on expensive consultancy support, by initiating recruitment to a permanent in-house team.

**Savings through detailed review of the council's contracts register**

- The contracts register is being actively used to identify opportunities to drive savings and value for money. As a result of the reviews, savings of £1.8m have been identified. Note: the majority of these savings have been put into the Council's MTFS.

**Further key development activities**

- Implement the contracts register on the council's finance system, so contracts can be easily linked to budgets and spend – by March 2023.
- Development of a framework to ensure there is a co-ordinated and consistent approach to contract management – from January 2023.
- Ensure KPI's are meaningful and monitored effectively – from January 2023.
- Programme of continuous contracts register reviews to ensure the council is getting the best value for money – from September 2023 and six monthly thereafter.
- Implement the actions in the procurement and contract management strategy that have not yet been undertaken, throughout the 2023/24 financial year.
- Overview & Scrutiny Committee have launched a Contracts T&F Group to enhance improvement activity by bringing in additional councillor-level oversight, understanding and challenge.

**The ICT & Digital Team has the ambition to:**

- Establish technology services that are reliable and effective for our staff, and that empower front-line services to continually improve their efficiency
- Build a trusted public facing digital presence that is simple to use, and significantly increases the proportion of self-service by residents
- Provide as many core services as possible through secure public cloud Software-as-a-Service options, leading to less need for expensive technical infrastructure and deep technical specialists
- Support all transformation activity as the Council moves to a new operating model that is affordable, and is still able to provide quality services to residents

**To achieve this the team has:**

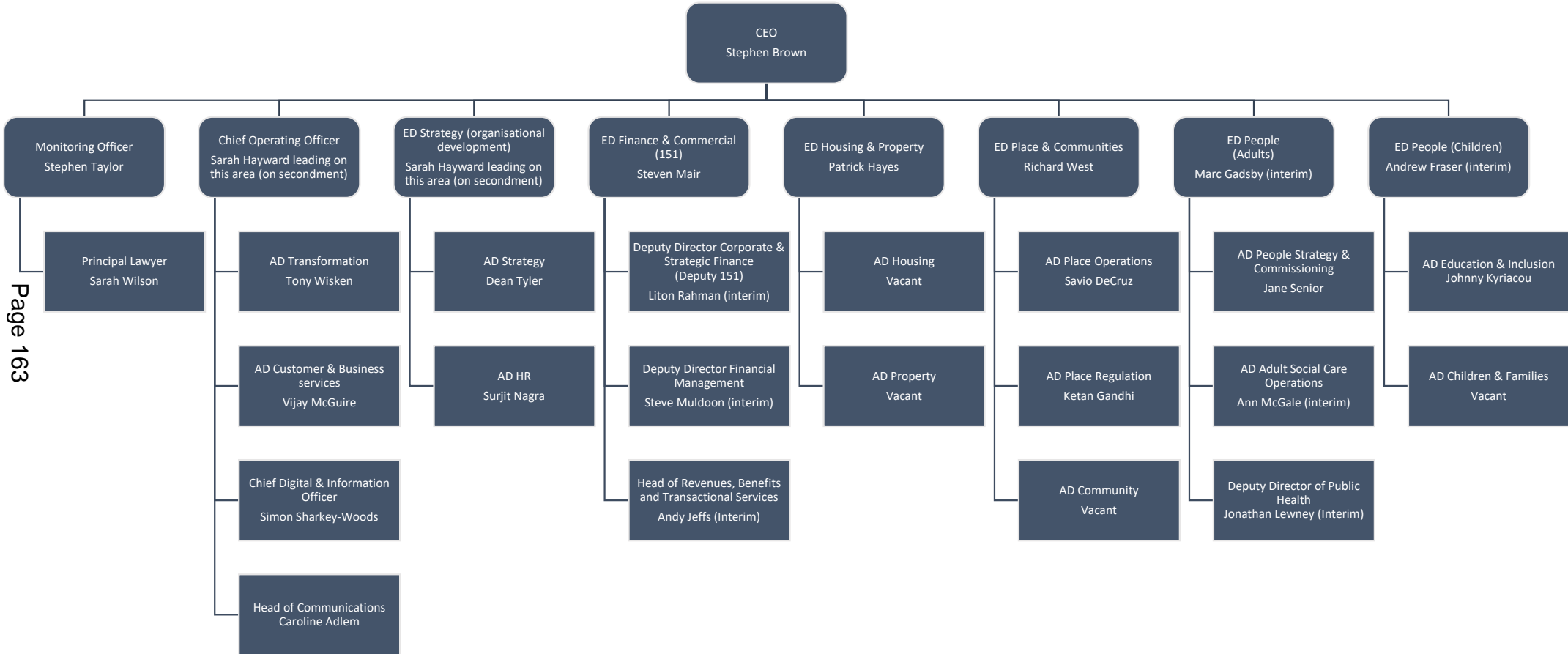
- Restructured the roles within the team and are currently recruiting internally before going to market
- Opened exploratory discussions with specialist suppliers on ways to rapidly improve our digital presence
- Progressed a new hosting arrangement for our core ERP system (Agresso) that saves significant money
- Established stronger connections at SLT, and with our new PMO team to ensure work priorities are aligned to the government directions, a focus on savings, and the corporate plan
- Continued activity on the plan for remediating and modernising legacy technology infrastructure
- Committed to inviting O&S challenge and oversight and updating Cabinet in December to ensure democratic oversight

# Organisational Structure - Senior Recruitment Update

Direction 3.g

Ref	Directorate	Tier	Position	Owner	RAG		Target Date	Incumbent	Commentary / Progress
					Curr.	Trend			
P-004	COO	1	Monitoring Officer	Stephen Brown		=	26-Nov-22	Stephen Taylor	<b>13/10</b> Stephen Taylor has joined SBC.
P-001	COO	2	AD Transformation	Stephen Brown		▲	12-Sep-22	Tony Wisken	<b>03/10</b> Tony Wisken joined SBC on <b>12/09</b> , on a secondment basis from Essex County Council. Formal contract details still pending.
P-002	COO	3	Head of Communication	Stephen Brown		=	19-Sep-22	Caroline Adlem	<b>03/10</b> Caroline joined SBC on <b>19/09</b> .
P-005	Finance	1	ED Finance and Commercial Services	Stephen Brown		▲	01-Mar-23		<b>13/10</b> Final interviews to take place in Jan-23.
P-012	Finance	2	DD Corporate & Strategic Finance	Stephen Brown		▲	01-Mar-23	Liton Rahman	<b>31/10</b> Final interviews to take place in Jan-23. Liton Rahman is current interim.
P-014	Finance	2	DD Financial Management	Stephen Brown		▲	01-Mar-23	Steve Muldoon	<b>31/10</b> Final interviews to take place in Jan-23. Steve Muldoon is current interim.
P-011	People		AD People (Adults)	Surjit Nagra		▲	10-Oct-22		<b>13/10</b> An interim has been engaged for this position.
P-006	People	1	ED People (Adults)	Stephen Brown		▲	01-Feb-23		<b>13/10</b> Interview scheduled for w/c 24-Oct.
P-007	People	1	ED People (Children's)	Stephen Brown		=	01-Feb-23		<b>13/10</b> Applications are currently under review to consider next steps.
P-003	Place	1	ED Housing and Property	Stephen Brown		▲	17-Oct-22	Patrick Hayes	<b>13/10</b> Patrick Hayes has been appointed and will be joining SBC on 17-Oct.
P-009	Place	2	AD Community	Surjit Nagra		=	01-Feb-23		<b>13/10</b> Closing date for advertisement 17-Oct.
P-010	Place	2	AD Housing	Surjit Nagra		=	01-Feb-23		<b>13/10</b> Closing date for advertisement 17-Oct.
P-008	Place	2	AD Property	Surjit Nagra		=	01-Feb-23		<b>13/10</b> Closing date for advertisement 17-Oct.

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**Progress**

- An internal communications plan has been developed and be rolled from November, which will support culture change and includes, roadshows, newsletters, a staff survey and blogs and vlogs
- The council's Race Equality and Celebrating Heritage (REACH) Network has hosted a special event for Black History Month
- We are launching the revised performance management framework, starting with appraisals / review meetings to get the workforce aligned to the corporate plan and service delivery plans
- The recruitment process is being streamlined to accommodate the pace required to recruit to vacant posts
- The second set of mandatory training for the organisation has been launched – to ensure that have a baseline knowledge of issues that the organisation requires of us employees of the council



- Following reviews, the Standards Committee has received reports on: whistle blowing; member's register of interests and declarations of interests; learning from the committee for standards in public life; and, an update on code of conduct complaints
- The council will hold governance workshops for senior officers - using the Centre for Governance and Scrutiny's governance toolkit.
- The Councillors Code of Conduct has been amended to adopt LGA Model Code of Conduct
- Training has been provided to top three tiers of officers on member and officers' roles and responsibilities and the member officer protocol, which has been amended to clarify training expectations.
- LGA Support has been offered to political groups and chairs of committees and meetings have been held with group leaders on concerns and conduct issues.
- Further action has been taken in regard to access to information rules, member casework and member communication.

**Next Steps**

- The Chief Executive will be overseeing the creation of a team to develop and lead a comprehensive culture change programme. The team will be advised by an experienced consultant – Nick Kemp – who has agreed to support SBC on a part-time basis.
- Member induction and development programme following May elections
- Further workshops for senior officers utilising CfGS governance framework funded by LGA
- Interviews are being conducted to recruit expertise for organisational development and a "plan B" is being developed given the market limitations Slough is experience

The Council had 11 companies:

- six have been shut.
- four are currently being very actively managed.
- one, low risk, will follow in 23/24.
- Reviews of GRE5, SUR and SCF have been undertaken.
- Directors have been replaced for all, apart from DISH.
- An officer corporate oversight board has been established to provide support to representatives.
- Council capital programme commitments for the companies have been reduced by at least £65m.
- Programme to accelerate asset disposals to generate cash receipts of c.£40m in 22/23 and 23/24.
- Loan repayments to the Council have been accelerated, SUR loan facility reduced from £9m to £2m in 12 months.
- Additional external funding obtained to reduce Council's financial exposure e.g. grant of £9m for GRE5.
- Reduced operating costs for SUR and JEH with reduced scale of operations.

**Next steps**

- Anticipated capital receipts from sales are:
  - 2022/23: £22m
  - 2023/24: £8m
  - 2024/25: £10m
- Above excludes JEH which will be worked up for the exit plan.
- Business plans for JEH, GRE5, SCF to Cabinet in March 2023.
- JEH review to Cabinet March 2023.
- Exit from GRE5 when works complete/legal claim settled.
- DISH review and changes planned for 2023/24.
- SUR estimated exit plan 2024/25.

*Further information on subsidiary companies has been included in the appendix.*

## Progress

- Monthly reporting against the new Corporate Recovery and Improvement Plan has been established with CLT and Improvement & Recovery Board
- We have established a Data Strategy and Governance Board to oversee improvements in quality and consistency of data management and reporting across the council
- Member training now includes making informed decisions, based on evidence provided.
- The council has sought to improve transparency in decision-making through the increased use of Part 1/Part 2 reports where confidential information needs to be presented
- Councillor led decision-making - lead members are briefed and take ownership of reports and pre-meeting briefings with scrutiny members
- Pro-bono advice has been received from Microsoft on options for new technologies to more effectively use data in decision-making
- We are establishing a consistent platform – Citizen Space – across the council to improve resident consultation and engagement in decision making. 10 further members of staff across different services have been trained in its use and will be used to train others.

**Progress**

- Public participation rules and rules for backbench comments and questions, have been changed to gives rights to participate in cabinet meetings
- We are also establishing a consistent platform – Citizen Space – across the council to improve resident consultation and engagement in decision making. 10 further members of staff across different services have been trained in its use and will be used to train others.

Examples of improvements in evidence based decision making have been included in the appendix.

**Next steps**

- Options to bring the council to a consistently 'good' level against this Direction were presented to CLT in early October. Follow-up discussions are planned in November.
- The investment and technological improvements required to achieve are being considered within 23/24 and 24/25 budget conversations.
- Continue rolling out Citizen Space resident consultation and engagement platform across the council throughout November.
- Develop strategy for better involving children and young people in decision-making effecting them.
- Review further action that can be taken to increased resident engagement in decision-making, including within policy formulation at an earlier stage.
- Scrutiny - task and finish groups are currently reviewing data – including on complaints - and other relevant information to inform future policy decisions.

# Any Other Business?



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Strategy and Transformation

# Improvement and Recovery Board Appendices

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## Contents

- Recent Governance Decisions Taken in Support of Improvement and Recovery
  - Previous IRB Decisions Taken
  - Cost Saving Initiatives
  - Functional Capability Assessments Update (Complete Direction)
  - Subsidiary Company Review – further detail (Direction 6)
  - Evidence based decision making examples (Direction 7)
  - Corporate Risk Register (extract)
  - Key Service Updates

## Recent Governance Decisions Taken in Support of Improvement and Recovery

Ref	Report & Subject	Date	Chief & Contact Officers	Portfolio	Key Decision	Summary of Decision	Related Direction and Contribution to Recovery	Link to Document
GD-022	<b>Scrutiny</b> Task & Finish Group - Slough Children First Business Planning	24-Oct-22	Andrew Fraser ----- Alexander Polak	Children's Services, Lifelong Learning & Skills	No	Approve the creation of a Task & Finish Group to review Slough Children First Business Planning	<b>2 Avoid Poor Governance or Financial Mismanagement</b> <b>3b Democratic Services Action Plan</b> <b>3c Scrutiny Action Plan:</b> Allows for an informed review into the arrangements surrounding the company and to make recommendations to Cabinet in time to influence budget setting decisions.	<a href="https://democracy.slough.gov.uk/documents/s73221/Task%20and%20Finish%20Group%20-%20SCF%20corporate%20reports%20and%20plans.pdf">https://democracy.slough.gov.uk/documents/s73221/Task%20and%20Finish%20Group%20-%20SCF%20corporate%20reports%20and%20plans.pdf</a>
GD-021	<b>Scrutiny</b> Task & Finish Group - Complaints Handling	20-Oct-22	Stephen Brown ----- Alexander Polak	Customer Services, Procurement and Performance	No	Approve the creation of a Complaints Handling Task and Finish Group	<b>2 Avoid Poor Governance or Financial Mismanagement</b> <b>3b Democratic Services Action Plan</b> <b>3c Scrutiny Action Plan:</b> Complaints represents an important area for the overall governance of the authority and a valuable source of performance information.	<a href="https://democracy.slough.gov.uk/documents/s73128/Task%20and%20Finish%20Group%20-%20Complaints%20Handling.pdf">https://democracy.slough.gov.uk/documents/s73128/Task%20and%20Finish%20Group%20-%20Complaints%20Handling.pdf</a>
GD-017	<b>Cabinet</b> Corporate Debt Management Policy	17-Oct-22	Steven Mair ----- Steven Mair	Financial Oversight and Council Assets	No	Approve a Corporate Debt Recovery Policy to support the maximisation of debt collection	<b>3a Financial Sustainability Action Plan:</b> Commissioners comment that the policy should balance the need to protect the public purse and support residents and businesses	<a href="https://democracy.slough.gov.uk/documents/s72981/Report.pdf">https://democracy.slough.gov.uk/documents/s72981/Report.pdf</a>
GD-018	<b>Cabinet</b> Update on Procurement and Contract Management	17-Oct-22	Steven Mair ----- Clare Priest	Procurement and Performance	No	Update on key developments by the Commercial team to improve procurement and contract management	<b>3e Procurement and Contract Management Action Plan:</b> Commissioners recognise the good progress to build a contract register although this needs regular management with updates to Commissioner	<a href="https://democracy.slough.gov.uk/documents/s72986/Report.pdf">https://democracy.slough.gov.uk/documents/s72986/Report.pdf</a>
GD-019	<b>Cabinet</b> Recommendations from the Cabinet Committee on Asset Disposals: Asset Disposal Strategy	17-Oct-22	Richard West / Steven Mair ----- Fin Garvey / Peter Worth	Financial Oversight and Council Assets	Yes	Agree the Asset Disposal Strategy and the declaration of assets listed as surplus	<b>3a Financial Sustainability Action Plan:</b> Adoption of the strategy and delivery at pace are essential to financial sustainability.	<a href="https://democracy.slough.gov.uk/documents/s72967/Cabinet%20Paper%20on%20Asset%20Disposal%20Strategy.pdf">https://democracy.slough.gov.uk/documents/s72967/Cabinet%20Paper%20on%20Asset%20Disposal%20Strategy.pdf</a>

## Recent Governance Decisions Taken in Support of Improvement and Recovery

Ref	Report & Subject	Date	Chief & Contact Officers	Portfolio	Key Decision	Summary of Decision	Related Direction and Contribution to Recovery	Link to Document
GD-020	<b>Cabinet</b> Recommendations from the Cabinet Committee on Asset Disposals: Montem site	17-Oct-22	Richard West / Steven Mair ----- Dean Tyler / Carmel Booth	Financial Oversight and Council Assets	Yes	Disposal of Montem Lane asset	<b>3a Financial Sustainability Action Plan:</b> Commissioners view the disposal as essential to meet the financial recovery goals and is considered to be best value in the market today.	<a href="https://democracy.slough.gov.uk/documents/s72948/Report%20Part%201.pdf">https://democracy.slough.gov.uk/documents/s72948/Report%20Part%201.pdf</a>
GD-012	<b>Cabinet</b> Finance Action Plan - update	21-Sep-22	Steven Mair ----- Steven Mair	Financial Oversight and Council Assets	No	Update on the work to respond to the serious financial challenges and recommendations made by external agencies	<b>3a Financial Sustainability Action Plan:</b> Commissioners pleased to see progress on the implementation of the recommendations arising from the CIPFA review, DLUHC Governance Review, Grant Thornton recommendations and the Directions	<a href="https://democracy.slough.gov.uk/documents/s72493/September%202022%20FAP%20Revised%20Master%2019.9.22%20v7.pdf">https://democracy.slough.gov.uk/documents/s72493/September%202022%20FAP%20Revised%20Master%2019.9.22%20v7.pdf</a>
GD-013	<b>Cabinet</b> Financial Update Report - 2022/23	21-Sep-22	Steven Mair ----- Steven Mair	Financial Oversight and Council Assets	No	Forecast revenue and capital outturn position for 2022/23 with risks and mitigations.	<b>3a Financial Sustainability Action Plan:</b> Commissioners note the forecast for a balanced position on the general fund however there is a shortfall against the savings targets and expect a robust Scrutiny process for 2023/24 budget	<a href="https://democracy.slough.gov.uk/documents/s72494/1%20Monitoring%20Report%202022-23%20P4%20DRAFT%20MASTER%2019.9.22%20v4.2.pdf">https://democracy.slough.gov.uk/documents/s72494/1%20Monitoring%20Report%202022-23%20P4%20DRAFT%20MASTER%2019.9.22%20v4.2.pdf</a>
GD-014	<b>Cabinet</b> Update on the procurement forward plan for services in excess of £180,000 and works in excess of £1 million in 2022/23	21-Sep-22	Steven Mair ----- Clare Priest	Procurement and Performance	Yes	Authority for commencement of procurement for contracts to be let in 2022/23	<b>3e Procurement and Contract Management Action Plan:</b> Commissioners have reviewed the report	<a href="https://democracy.slough.gov.uk/documents/s72291/180%20Contracts%20over%20180k%20cabinet%20report%2022.23%20Sept%20update%20v6.pdf">https://democracy.slough.gov.uk/documents/s72291/180%20Contracts%20over%20180k%20cabinet%20report%2022.23%20Sept%20update%20v6.pdf</a>
GD-015	<b>Cabinet</b> Waste Collection and Disposal Savings	21-Sep-22	Richard West ----- Savio DeCruz	Transport and the Local Environment	Yes	Agree a range of charges related to waste and disposal as well as frequency of collections	<b>3a Financial Sustainability Action Plan:</b> Commissioners decided not to comment to allow freedom for Scrutiny to give consideration to the issue	<a href="https://democracy.slough.gov.uk/documents/s72367/Report%20and%20Appendices.pdf">https://democracy.slough.gov.uk/documents/s72367/Report%20and%20Appendices.pdf</a>



## Recent Governance Decisions Taken in Support of Improvement and Recovery

Ref	Report & Subject	Date	Chief & Contact Officers	Portfolio	Key Decision	Summary of Decision	Related Direction and Contribution to Recovery	Link to Document
GD-016	<b>Cabinet</b> Disposal of Council Assets in Wolverhampton, Bradford, Gosport and Basingstoke	21-Sep-22	Richard West / Steven Mair ----- Fin Garvey / Peter Worth	Financial Oversight and Council Assets	Yes	Approve four asset sales located outside the borough to generate net savings to the revenue budget and capital receipts	<b>3a Financial Sustainability Action Plan:</b> The disposal are essential to meet the financial recovery goals and are best value in the market today	<a href="https://democracy.slough.gov.uk/documents/s72368/Report.pdf">https://democracy.slough.gov.uk/documents/s72368/Report.pdf</a>
GD-004	<b>Cabinet</b> Financial Action Plan - update	18-Jul-22	Steven Mair ----- Steven Mair	Financial Oversight and Council Assets	No	Update on the work to respond to the serious financial challenges and recommendations made by external agencies	<b>3a Financial Sustainability Action Plan:</b> Commissioners pleased to see progress with the identified actions	<a href="https://democracy.slough.gov.uk/documents/s70263/Report%20and%20Appendices.pdf">https://democracy.slough.gov.uk/documents/s70263/Report%20and%20Appendices.pdf</a>
GD-005	<b>Cabinet</b> Risk Management Strategy	18-Jul-22	Steven Mair ----- Clare Priest / Mike Thomas	Financial Oversight and Council Assets	No	Approve Risk Management Strategy for 2022/23 including risk management workshops	<b>2 Avoid Poor Governance or Financial Mismanagement</b> <b>3b Democratic Services Action Plan</b> <b>3c Scrutiny Action Plan (Risk):</b> Commissioners support the strategy to effectively manage risk	<a href="https://democracy.slough.gov.uk/documents/s70251/Report%20and%20Appendix.pdf">https://democracy.slough.gov.uk/documents/s70251/Report%20and%20Appendix.pdf</a>
GD-006	<b>Cabinet</b> Senior management team restructure	18-Jul-22	Gavin Jones ----- Gavin Jones	Leader of the Council	No	Approve change from a 6 to 7 directorate model with changes to services under each directorate to improve capacity and capability	<b>3g Officer Structure and Scheme of Delegation:</b> Commissioners endorse the new structure and arrangements	<a href="https://democracy.slough.gov.uk/documents/s70252/Report.pdf">https://democracy.slough.gov.uk/documents/s70252/Report.pdf</a>
GD-007	<b>Cabinet</b> IT Team Restructure	18-Jul-22	Steven Mair ----- Simon SharkeyWoods	Customer Services, Procurement and Performance	No	Endorse the consultation process for the revised structure of IT including addition of key posts	<b>3f Information Technology Action Plan:</b> Commissioners content with proposals to enable the efficient and effective delivery of services - will need careful monitoring	<a href="https://democracy.slough.gov.uk/documents/s70254/Report%20and%20Appendices.pdf">https://democracy.slough.gov.uk/documents/s70254/Report%20and%20Appendices.pdf</a>
GD-008	<b>Cabinet</b> Adult Social Care Debt Recovery Policy	18-Jul-22	Marc Gadsby ----- Marc Gadsby	Social Care and Public Health	Yes	Approve the Adult Social Care Debt Recovery Policy to ensure the Council achieves value for money in its debt collection arrangements	<b>3a Financial Sustainability Action Plan:</b> Commissioners content with the proposals	<a href="https://democracy.slough.gov.uk/documents/s70260/Report.pdf">https://democracy.slough.gov.uk/documents/s70260/Report.pdf</a>

## Recent Governance Decisions Taken in Support of Improvement and Recovery

Ref	Report & Subject	Date	Chief & Contact Officers	Portfolio	Key Decision	Summary of Decision	Related Direction and Contribution to Recovery	Link to Document
GD-009	<b>Cabinet</b> Options to increase income from leisure contract	18-Jul-22	Richard West ----- Liz Jones	Leisure, Culture and Communities	Yes	Approve the negotiated management fee, suspension of the community-based action programme, introduction of above inflation price increases	<b>3a Financial Sustainability Action Plan:</b> Commissioners agree with the recommendations given the status of the contract, will need to consider carefully the longer term provision of services	<a href="https://democracy.slough.gov.uk/documents/s70264/Report.pdf">https://democracy.slough.gov.uk/documents/s70264/Report.pdf</a>
GD-010	<b>Cabinet</b> Charging for Garden Waste Collection	18-Jul-22	Richard West ----- Savio DeCruz	Transport and the Local Environment	Yes	Introduce a charge for garden waste to improve the financial position of the authority	<b>3a Financial Sustainability Action Plan:</b> Commissioners content with the proposals	<a href="https://democracy.slough.gov.uk/documents/s70265/Report%20and%20Appendix.pdf">https://democracy.slough.gov.uk/documents/s70265/Report%20and%20Appendix.pdf</a>
GD-011	<b>Cabinet</b> Slough Urban Renewal Disposals update	18-Jul-22	Richard West / Steven Mair ----- Dean Tyler / Carmel Booth	Financial Oversight and Council Assets	Yes	Approve the disposal strategy for three SUR sites to generate disposal receipts at the earliest opportunity	<b>3a Financial Sustainability Action Plan:</b> Commissioners agree the recommendations reflect the need to secure value for money, reduce the Council's liabilities and risks	<a href="https://democracy.slough.gov.uk/documents/s70271/Report%20and%20Part%20I%20Appendix.pdf">https://democracy.slough.gov.uk/documents/s70271/Report%20and%20Part%20I%20Appendix.pdf</a>
GD-003	<b>Scrutiny</b> Task & Finish Group - Contract Management and Procurement	14-Jul-22	Steven Mair ----- Alexander Polak	Procurement and Performance	No	Approve the creation of a Task & Finish Group to review Contract Management and Procurement	<b>3c Scrutiny Action Plan. 3e Procurement and Contract Management Action Plan:</b> Allows for an informed review of contract management and procurement at SBC, including the initial procurement phase, performance monitoring and mitigation, and organisational learning.	<a href="https://democracy.slough.gov.uk/documents/s70436/Overview%20and%20Scrutiny%20Commercial%20and%20Contract%20Management.pdf">https://democracy.slough.gov.uk/documents/s70436/Overview%20and%20Scrutiny%20Commercial%20and%20Contract%20Management.pdf</a>
GD-001	<b>Cabinet</b> Finance Department Restructure	20-Jun-22	Steven Mair ----- Mike Thomas	Financial Oversight and Council Assets	No	Restructure of services to improve capacity and capability	<b>3a Financial Sustainability Action Plan</b> <b>3g Officer structure and Scheme of Delegation:</b> Commissioners content with the proposed structure	<a href="https://democracy.slough.gov.uk/documents/s69649/Report.pdf">https://democracy.slough.gov.uk/documents/s69649/Report.pdf</a>
GD-002	<b>Cabinet</b> Improvement & Recovery - Asset Disposals programme	20-Jun-22	Richard West ----- Fin Garvey	Financial Oversight and Council Assets	No	Agreement to next steps in the advancement of the Asset Disposal Programme	<b>3a Financial Sustainability Action Plan:</b> Commissioners clear that asset disposal is a fundamental component of the Improvement and Recovery Plan	<a href="https://democracy.slough.gov.uk/documents/s69643/Report.pdf">https://democracy.slough.gov.uk/documents/s69643/Report.pdf</a>

## Previous Improvement and Recovery Board Decisions Taken

Ref	Status	Description of Decision	Impact / Rationale of Decision	Date Raised	Raised By	Owner	Consulted Parties	Date Last Updated	RAG	Date Closed
D-001	Closing	Stephen Brown committed to providing a regular savings monitor to lead Members.	Lead Members will be communicated to effectively regarding the savings plans and progress.	22-Aug-22	IRB	Stephen Brown		22-Aug-22		13-Oct-22
D-002	Closing	Future reports to the Board should include an update on compliance with the Intervention Directions.	Commissioners will gain increased confidence that SBC are fully addressing the Intervention Directions.	25-Aug-22	IRB	Stephen Brown		13-Oct-22		

Service plans have been completed, which will seek to address gaps in capability identified in the functional capability assessments.

These are continuing to be iterated to ensure coherence across services and alignment with the corporate plan.

SLT will act as the governance body for the service plans - with meetings taking place weekly. Next steps are to develop reporting arrangements for monitoring progress in delivery, and ensure lessons for next year are captured.

SLT is also focussing on how a One Council approach can be applied to strategic priority areas – such as the Local Plan, Regulation & Enforcement, Recruitment & Retention, Communications and Programme Management.

**GRE5**

- Company limited by shares, sole purpose to own and manage Nova House, a residential block of flats.
- Report to cabinet and full council to set out options and regularise the loan arrangement.
- New directors appointed based on skills audit.
- Separation between board and shareholder function, with shareholder decisions made at officer, cabinet or council level as appropriate (loan arrangement agreed by full council)
- Securing of funding and commissioning of developer for cladding works.
- Exit arrangements expected in financial year 2024/25 due to works contract and ongoing litigation.

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**SUR**

- SUR is not a company, it is a limited liability partnership, with specific limited liability partnerships created underneath for each scheme.
- Its purpose is to manage and deliver regeneration schemes.
- Cabinet reports on progress on each site managed via SUR.
- Corporate oversight board to strengthen governance and management arrangements.
- New Executive Director of Housing and Property will have lead responsibility for exit arrangements once current schemes are complete or alternative arrangements entered into.



**JEH**

- JEH is a company limited by shares. Its sole purpose is to acquire and hold housing properties.
- External review by Local Partnerships, funded by LGA.
- Loan arrangement regularised.
- New directors appointed with monthly board meetings.
- New SLA between Council and JEH to ensure transparency around services provided and cost recovery.
- Separation of banking arrangements put in place.

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**Development Initiative Slough Housing (DISH)**

- Company limited by shares set up in 1988 for sole purpose of leasing and managing 54 properties.
- Properties are all tenanted with stability in its tenants.
- Options review and exit strategy scheduled for financial year 2023/24 due to lower risks.

**Slough Children First (SCF)**

- SCF is a company limited by guarantee. It was set up under the statutory direction of the SoS for Education.
- Articles of association were amended in April 2021 to make it wholly owned by the Council. Articles clearly set out reserved matters.
- The board of directors is made up of paid executive directors, independent non-executive directors and council nominated directors.
- The board is relatively new with most directors having been appointed since April 2021.
- A skills audit of the board has been undertaken.
- The Council has undertaken a detailed governance review, which is being reported to Cabinet.
- The Council will also work with the DfE on an options appraisal for delivery of statutory children's social care functions to consider whether the current model remains the most effective one to improve services.

## **Experimental Bus Lanes, Cabinet, 17 January 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=6749>

Comprehensive appendices on:

- Consultation feedback
- Monitoring data
- Journey times
- Air quality

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## **Corporate Energy Procurement Strategy, Cabinet, 17 January 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=6749>

Included data on:

- Potential energy costs
- Fixed price options
- Predictions for future use, informed by expert advice and analysis

## **Slough Library Service Plan and new delivery model, Cabinet, 21 March 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=6751&Ver=4>

Included:

- Needs assessment
- CIPFA benchmarking comparisons
- Equality Impact Assessment data
- Consultation results

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## **Finance Department Restructure, Cabinet, 20 June 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=7050&Ver=4>

Included benchmarking data with 2 other Local Authorities

## **Finance Department Restructure, Cabinet, 20 June 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=7050&Ver=4>

Included data on cost over time, including net spend and number of items supplied.

**Home to school transport & Bus Enhanced Partnership, Cabinet, 20 June & 17 October 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=7074&Ver=4>

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=7088&Ver=4>

The former included:

- Benchmarking data on contribution rates for 6 other LAs
- Cost per pupil of transport from 25 other LAs
- Consultation results (October)

The latter included consultation feedback.

Both are examples of a two stage process with Cabinet approving both.

## **Waste Collection and Disposal Savings, Cabinet, 21 September 2022**

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=8282&Ver=4>

Included:

- Data on frequency of collections for six Local Authorities
- Contaminated loads data
- Environmental impact projections

## Corporate Risk Register - Extract

### Corporate Risk Register Extract (excludes finance risks dealt with extensively elsewhere)

Risk	Inherent Risk	Current Risk	Target Risk	Direction of Travel
Risk 1: Safety of Children and Young People	24	20	9	↓
Risk 2: Delivery of the Adult Social Care (ASC) Transformation Programme	18	15	8	↔
Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection	24	20	4	↓
Risk 4: Impact of the cost of living crisis on Slough's residents	24	18	6	↔
Risk 5: Risk of the failure of statutory duty for provision of temporary accommodation	18	12	6	↔
Risk 6: Service delivery risk due to workforce recruitment and retention issues	24	20	6	↓
Risk 7: The Council does not take adequate mitigation to reduce the risk of injury or death from incidents within the Council	20	12	6	↔
Risk 8: Business Continuity and Emergency Planning	24	8	6	↔
Risk 9: Cyber Security	15	9	6	↑
Risk 13: Recovery and Renewal Plan	24	15	6	↔
Risk 14: Risk that the lack of an agreed council-wide vision, principles and governance for building digital access for residents continues to lead to incoherent and poor quality digital services	16	12	8	↔

Note: ↑ indicates risk assessment has improved since last review; ↓ indicates risk assessment has deteriorated since last review

### Planning

- A clear programme plan is being put in place for the Local Plan, with a meaningful work programme:
  - A project update was presented to oversight group Sept 2022. Next Update late November 2022.
  - Budget requirement paper to be presented to finance – week commencing 8th November.
  - Procurement specification for evidence studies finalised November 2022.
  - Procurement Board approval – November 2022.
  - Report to Cabinet – January 2023 which will also outline the full local plan projected timetable.

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### Regulation & Enforcement

- A One Council approach to Regulation and Enforcement is being developed, with the first meeting on 18<sup>th</sup> October.
- Whilst Regulation and Enforcement teams across the council have been working together, this approach is being developed to better share skills, knowledge and resource and start to undertake work as a collective – for example by identifying premises of concern and developing joined up approach



### Community Safety

- The first proper use of a Community Trigger by the authority has been undertaken, resulting in an independent panel reviewing a specific long-term problem of Anti-Social Behaviour in Chalvey.

### Place Operations

- A Cabinet decision has been made about the future waste collection cycle; Place Scrutiny Panel reviewed and commented on the report and will conduct further scrutiny once cabinet proposals for the detail of implementation, including around recycling, are clearer.
- New Web forms to support new service changes at the DSO have been implemented and are now being used by residents to pay for Green Waste subscriptions or Schedule Bulky Waste removals.

### Building management & Business Support

- Facilities management and Business support have moved to the new Housing & Property Directorate - this will allow for effective re-alignment of contract and operational management of the council corporate buildings - which was disaggregated following the OF Restructure.

## Key service updates

### Customer services

- Customer services capacity and performance has improved on 2021 levels – see table.
- We have successfully recruited an Interim Group Manager for Customer Services, starting 24<sup>th</sup> October.
- They will lead a root and branch review of operational processes, design a new target operating model and support the development of the council's corporate digital road map.
- Progress has been made in joining up working between Libraries, customer services, and Facilities management to address the customer offering through the local access points.
- Officers are also being trained ahead of the launch of the new housing system.

### People (Childrens)

- Home to school transport – The new H2S transport policy was adopted by Cabinet on 17/10/22. This will crystallise the LA's new approach and yield efficiencies. Independent Travel Training is a key area of new policy and requires careful implantation to safeguard young people.
- SEND Written Statement of Action - Progress overall is slower than expected. A Project Manager being sourced and New roles in the SEND service are being recruited. The WSOA is a multi-agency responsibility between social care, education and health.
- SEND Safety Valve - Bi-weekly meetings are taking place with the DfE. The council is forecasting in-year balance within four years. SBC is preparing submission for programme for February 2023.

### People (Adults)

- *Re-ablement* – the Reablement consultation concluded on the 22nd and the recruitment activity has begun for 35 vacancies across the team. The financial efficiencies badged against the expected outcomes for the service rely greatly on the success of the recruitment to these posts.
- *Health and Social Care Integration* – the draft plan for the Better Care Fund 22-23 has been produced along with a Draft Narrative Plan 22-23, Metrics and Spending Plan. This has now been presented and agreed at the Health and Social Care Partnership and the Wellbeing Board.
  - Reports on recommissioning of the Voluntary and Community Sector and the Integrated Substance Misuse Service and Rough Sleepers Substance Misuse outreach service are going to Cabinet in November.
- *Public Health* - Cabinet has approved Health Visiting and School Nursing collaboration with East Berks LA's, dependent on a Task and Finish Group which has now been set up, chaired by Stuart Lines, East Berks Director of Public Health.

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**Slough Borough Council**

<b>Report To:</b>	Council
<b>Date:</b>	22 <sup>nd</sup> November 2022
<b>Subject:</b>	Revisions to the Constitution – Contract Procedure rules
<b>Chief Officer:</b>	Director of Finance and Commercial (s151) – Steven Mair
<b>Ward(s):</b>	All

**PART I**  
**FOR DECISION****REVISIONS TO THE CONSTITUTION - CONTRACT PROCEDURE RULES****1. Summary and Recommendations**

- 1.1. The purpose of this report is to seek the Council's approval to the revision of the Council's Constitution related to contract procedure rules.

**Recommendations:**

Council is recommended to:

1. Consider and approve the amendments to Part 4.6.1 Contract Procedure Rules as set out in Appendix A.
2. Agree that the amendments to the Constitution will come into effect on the day following the Council meeting.

**Reason:**

It is good practice to regularly review the contract procedure rules to ensure they align to the council structure and decision-making processes

**Commissioner Review**

Commissioners are content with the report.

**2. Report**

The revisions to the Council's contract procedure rules recommended in this report, ensure there is good governance in procurement processes for goods, services and works, and procurement activity achieves best value and is transparent, open and fair.

**Background**

- 2.1. The Council's current contract procedure rules are contained in the Financial Procedure Rules in Part 4.6.1 of the Constitution.

- 2.2. The contract procedure rules were comprehensively updated in November 2021 which has improved decision making at the appropriate levels and has achieved greater compliance by simplifying low value procurement requirements.
- 2.3. The revised contract procedure rules have been communicated to staff through training sessions and guidance published on the council's intranet.

### **Revision of the Contract Procedure rules**

- 2.4. It is good practice to regularly review the contract procedure rules to ensure they align to the council structure and decision-making processes. The contract procedure rules have been updated and improved to:
  - include the role of the strategic procurement board in decision making,
  - provide additional guidance relating to grant funded goods, services or works
  - set out the Council's commitment to supply chain management regarding modern slavery.
- 2.5. Once agreed, the revised contract procedure rules will be communicated to staff through briefings and guidance on the council's intranet.
- 2.6. The draft proposals were considered by the member panel on the constitution on 2<sup>nd</sup> November, who welcomed and supported the proposed changes.
- 2.7. The proposed set of revised rules have been prepared and are appended to this report.

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

### **3.1. Financial implications**

- 3.1.1. There are no direct financial implications arising from this report, however, good governance procedures will ensure that any procurement process for services, works or goods, achieves best value and is transparent, open and fair, making it possible for decisions to be audited satisfactorily

### **3.2. Legal implications**

The Council is required to prepare and keep up to date a constitution under the Local Government Act 2000. The Contract Procedure Rules are contained in the procedure rules part of the Constitution.

The Council is a best value authority by virtue of s.1 of the 1999 Act. Section 3 sets out the general duty, which is for an authority 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. The Best Value Statutory Guidance confirms that councils should consider overall value, including social value, when considering service provision. There is also reference to the need for councils to ensure they do not commission services from, or give grants to, individuals or organisations which are considered extremist according to the definition used by the Government's Extremism Task Force or those who actively or vocally oppose fundamental British values, including democracy, the rule of law, individual liberty, and mutual respect and tolerance of



different faiths and beliefs; or which call for the death of members of our armed forces. There is a general duty to consult prescribed persons in connection with the best value duty and this includes consulting with local voluntary and community organisations and small businesses and doing do at various stages of the commissioning cycle.

The procedure rules contain a requirement for the evaluation criteria to include social value and this can include local employment, training, apprenticeships and use of small or medium sized enterprises or local suppliers. The Council has a template suite of procurement and contract documents, which were drafted by HB Public Law, to ensure compliant with the above requirements as well as other legal duties.

### 3.3. Risk management implications

3.3.1. The contract procedure rules mitigate the risk of failure of the council making proper decisions at appropriate levels. This is by ensuring that the rules allow for accountability by budget holders and senior leadership, and roles for sign off have been aligned to the current SBC structure

### 3.4. Environmental implications

3.4.1. There are no specific environmental implications arising directly from this report.

### 3.5. Equality implications

3.5.1. There are no specific environmental implications arising directly from this report.

### 3.6 Procurement implications

3.6.1 All procurement projects will consider the best procurement option and procurement route. This will ensure that best value is demonstrated in each procurement undertaken.

### 3.7 Workforce implications

3.7.1 There are no specific workforce implications arising directly from this report.

### 3.8 Property implications

3.8.1 There are no specific property implications in relation to this report.

## 4. Appendices 'A' Revised Contract Procedure Rules

## 5. Background Papers

None

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# SLOUGH BOROUGH COUNCIL

## CONTRACT PROCEDURE RULES<sup>1</sup>

To be approved by the Council on 22 November 2022

Operative with effect from 23 November 2022

Draft – 5 October 2022

UK Procurement Thresholds to January 2023 <sup>2</sup>	
Works Contracts	£5,336,937
Light Touch Regime Services	£663,540
Supplies Contracts	£213,477
Services Contracts	£213,477

<sup>1</sup> Legal Status of these Contract Procedure Rules

Slough Borough Council is required by section 135 of the Local Government Act 1972 to maintain Contract Procedure Rules.

The Head of Commercial Services is the custodian of these Contract Procedure Rules and is responsible for keeping them under review. If the UK Directives or any other Law is changed in a way that affects these Contract Procedure Rules then the Head of Commercial Services will issue a notice and the change must be observed until the Contract Procedure Rules can be revised.

<sup>2</sup> The UK Thresholds will need to be updated in line with relevant Crown Commercial Service Procurement Policy Notes. Please note as of 1<sup>st</sup> January 2022 thresholds are inclusive of VAT.

## Document Control

<b>Version</b>	<b>Date</b>	<b>Lead Author</b>	<b>Main Changes</b>
1.0	28 October 2021	HB Public Law Commercial Team	Final draft following review and approval at Strategic Finance board
1.1	03 November 2021	Commercial Team	Updated draft following Member Panel on the Constitution
1.2	17 January 2022	Commercial Team	Updated UK procurement thresholds (PPN 10/21)
1.3	5 October 2022	HB Public Law Commercial Team	Updated draft to reflect procedural changes and minor clarifications

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**Slough Borough Council Procurement Application and Authorisation Table<sup>3</sup>  
(Services)**

Total Aggregate Contract Value <sup>4</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>5</sup>
Less than £25,000	3 quotations where possible signed off by the Authorised Officer in accordance with the Scheme of Delegation.	3 quotations where possible.  Authorised Officer to complete quotation proforma.	Authorised Officer in the Service Area	No	Purchase Order Standard Terms and Conditions	Quotation proforma must be signed off by the Authorised Officer (Scheme of Delegation)  Quotation proforma must be sent to procurement for recording on contract register as per government transparency requirements.	<b>Authorised Officer in accordance with the Scheme of Delegation (Section 3.6 of the Constitution)</b>

<sup>3</sup> All procurements and transactions must fall within the powers delegated to the relevant officer and must have been approved by a decision (in accordance with the Council's Constitution) of the Executive, the Council or one of its committees or sub-committees. No contract, agreement or other document shall be signed or sealed unless it gives effect to a decision or resolution (in accordance with the Council's Constitution) of the Cabinet, or one of its committees or sub committees or in accordance with the Scheme of Delegation.

<sup>4</sup> Contracts should not be artificially underestimated or disaggregated into two or more separate Contracts where the intent is to avoid the application of the Contract Procedure Rules or Public Procurement Regulations.

<sup>5</sup> Scheme of Delegation, Part 3.6 of the Slough Borough Council Constitution.

Total Aggregate Contract Value <sup>4</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>5</sup>
£25,000 – £180,000	Minimum of 3 quotations.  <b>OR</b> Consider accessing local/national framework agreements where permitted and running mini competitions or call offs.	Obtain and retain a minimum of three quotes.  <b>These quotes must be obtained through the SE Shared Services E-portal.</b>  Please seek advice from the Procurement Team for advertising.	Authorised Officer in accordance with the Scheme of Delegation.	<b>All Contract Values over £25,000 must be published on the SE Shared Services E-portal and contracts finder as per government requirements.</b>  <b>All contract values over the UK Procurement Thresholds will also need to be advertised on the UK Find a Tender Service.</b>	Please seek advice from the Procurement Team. The contract used will depend upon the value and complexity of the procurement.  Contracts over £100,000 must be sealed and HB Law advice sought from outset.	Mini business case to be approved by Strategic Procurement Review Board  Following Strategic Procurement Review Board approval, full business case and quotation paperwork to be submitted to Review Board (Procurement, Legal and Finance) before submission to the Authorised Officer (Scheme of Delegation)  Information Governance board Approval required for IT projects with a contract value in this value band.  Capital Monitoring Board Approval required for all capital projects	<b>Authorised Officer in accordance with the Scheme of Delegation (Section 3.6 of the Constitution)</b>

Total Aggregate Contract Value <sup>4</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>5</sup>
						that fall within this value band.	
£180,000 to £500,000 – Goods/Services	<p>Formal tender process using SE Shared Services E-portal and contracts finder and the UK Find a Tender Service.</p> <p><b>OR</b></p> <p>Consider accessing local/national framework agreements where permitted and running mini competitions or call offs.</p>	<p>Most economically advantageous tender must be selected, achieving Best Value and Value for Money for Council.</p> <p>The Procurement Team must be contacted for guidance and support.</p> <p><b>Use of SE Shared Services E-portal, Contracts Finder and the UK Find a Tender Service system is mandatory.</b></p>	<p>Authorised Officer in accordance with the Scheme of Delegation.</p>	<p><b>Yes</b></p> <p><b>Use of SE Shared Services E-portal procurement system is mandatory.</b></p> <p>Procurement Must be advertised on Contracts Finder and the UK Find a Tender Service.</p>	<p><b>Services:</b></p> <p>Please seek advice from the HB Public Law and the Procurement Team.</p> <p>All contracts to be sealed by HB Law.</p>	<p>Project must be on the forward procurement plan to Cabinet each April.</p> <p><b>and</b></p> <p>Mini business case to be approved by Strategic Procurement Review Board</p> <p><b>and</b></p> <p>Following Strategic Procurement Review Board sign off, full business case and quotation paperwork to be submitted to Review Board (Procurement,</p>	<p><b>Executive Director in accordance with the Scheme of Delegation (Section 3.6 of the Constitution)</b></p> <p>Note: Cabinet may request any project on the forward plan to be presented to Cabinet before award.</p>



Total Aggregate Contract Value <sup>4</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>5</sup>
		Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.				<p>Legal and Finance) before submission to an Executive Director.</p> <p>Information Governance Board Approval required for IT projects with a contract value in this value band.</p> <p>Capital Monitoring Board Approval required for all capital projects that fall within this value band.</p>	
Over £500,000	<p>Formal tender process using SE Shared Services E-portal and contracts finder and the UK Find a Tender Service.</p> <p><b>OR</b></p> <p>Consider accessing national framework agreements where permitted and running mini</p>	<p>Most economically advantageous tender must be selected, achieving Best Value and value for money for Council.</p> <p>The Procurement Team must be contacted for guidance and support.</p>	Authorised Officer in accordance with the Scheme of Delegation with support from the Procurement Team.	<p><b>Yes</b></p> <p><b>Use of SE Shared Services E-portal system is mandatory.</b></p> <p>Procurement must also be advertised on Contracts Finder and the UK Find a Tender Service.</p>	<p>Please seek advice from the HB Public Law and the Procurement Team.</p> <p>All contracts to be sealed by HB Law.</p> <p>All Contracts to be sealed.</p>	<p>Project must be on the forward procurement plan to Cabinet or separate Cabinet authority <b>and/or</b> may require a Cabinet Report to be submitted for Cabinet approval. (Please seek advice from the Procurement Team or HB Public Law.)</p>	<p><b>Cabinet approval is required.</b></p> <p>Any contract over £500k is a significant decision and must be approved prior to procurement and prior to any contract award.</p>

Total Aggregate Contract Value <sup>4</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>5</sup>
	<p>competitions or call offs.</p> <p>Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.</p>	<p><b>Use of SE Shared Services E-portal, Contracts Finder and the UK Find a Tender Service system is mandatory.</b></p> <p>Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.</p>				<p><b>and</b></p> <p>Mini business case to be approved by Strategic Procurement Review Board</p> <p><b>and</b></p> <p>Following Strategic Procurement Review Board approval, full business case and quotation paperwork to be submitted to Review Board (Procurement, Legal and Finance) before submission to Executive Director.</p> <p>Information Governance Board Approval required for IT projects with a contract value in this value band.</p>	

**Slough Borough Council Procurement Application and Authorisation Table<sup>6</sup>  
(Works)**

<b>Total Aggregate Contract Value<sup>7</sup></b>	<b>How many quotes are required?</b>	<b>How should SBC approach the market?</b>	<b>Who leads the procurement?</b>	<b>Should the Contract be formally advertised?</b>	<b>What type of Contract is required?</b>	<b>Governance Process</b>	<b>Who must approve contract award? This is in line with the Governance Scheme of Delegation<sup>8</sup></b>
Less than £25,000	3 quotations where possible signed off by the Authorised Officer in accordance with the Scheme of Delegation.	3 quotations where possible.  Authorised Officer to complete quotation proforma.	Authorised Officer in accordance with the scheme of Delegation.	No	Purchase Order Standard Terms and Conditions	Quotation proforma must be signed off by the Authorised Officer (Scheme of Delegation) and the Strategic Procurement Review Board (where appropriate) before accepting quotation and raising purchase order.  Quotation proforma must be sent to procurement for recording on contract register as	<b>Authorised officer in accordance with the Scheme of Delegation (Section 3.6 of the Constitution)</b>

<sup>6</sup> All procurements and transactions must fall within the powers delegated to the relevant officer and must have been approved by a decision (in accordance with the Council's Constitution) of the Executive, the Council or one of its committees or sub-committees. No contract, agreement or other document shall be signed or sealed unless it gives effect to a decision or resolution (in accordance with the Council's Constitution) of the Cabinet, or one of its committees or sub-committees or in accordance with the Scheme of Delegation.

<sup>7</sup> Contracts should not be artificially underestimated or disaggregated into two or more separate Contracts where the intent is to avoid the application of the Contract Procedure Rules or Public Procurement Regulations.

<sup>8</sup> Scheme of Delegation, Part 3.6.2 of the Slough Borough Council Constitution.

Total Aggregate Contract Value <sup>7</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>8</sup>
						per government transparency requirements.	
£25,000 to £1,000,000	3 quotations where possible signed off by the Authorised officer in accordance with the Scheme of Delegation.	3 quotations where possible.	Authorised Officer in accordance with the Scheme of Delegation.	<b>Yes</b> <b>Use of SE Shared Services E-portal system is mandatory.</b>	For Construction / Works Contracts, please seek advice from the HB Public Law and the Procurement Team. An appropriate model form contract such as JCT or NEC should be used.	Mini business case to be approved by Strategic Procurement Review Board  <b>and</b> Following Strategic Procurement Review Board approval, full business case and quotation paperwork to be submitted to Review Board (Procurement, Legal and Finance) before submission to the Executive Director  Capital Monitoring Board Approval required for all capital projects that fall within this value band.	<b>Authorised Officer in accordance with the Scheme of Delegation (Section 3.6 of the Constitution).</b>

Total Aggregate Contract Value <sup>7</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>8</sup>
Over £1,000,000p	<p>Formal tender process using SE Shared Services E-portal and contracts finder and the UK Find a Tender Service.</p> <p><b>OR</b></p> <p>Consider accessing national framework agreements where permitted and running mini competitions or call offs.</p> <p>Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.</p>	<p>Most economically advantageous tender must be selected, achieving Best Value and value for money for Council.</p> <p>The Procurement Team must be contacted for guidance and support.</p> <p><b>Use of SE Shared Services E-portal, Contracts Finder and the UK Find a Tender Service system is mandatory.</b></p> <p>Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.</p>	<p>Authorised Officer in accordance with the Scheme of Delegation with support from the Procurement Team.</p>	<p><b>Yes</b></p> <p><b>Use of SE Shared Services E-portal system is mandatory.</b></p> <p>Procurement must also be advertised on Contracts Finder and the UK Find a Tender Service.</p>	<p>For Construction / Works Contracts, please seek advice from the HB Public Law and the Procurement Team. An appropriate model form contract such as JCT or NEC should be used.</p>	<p>Project must be on the forward plan to Cabinet or separate Cabinet authority <b>and/or</b> may require a Cabinet Report to be submitted for Cabinet approval. (Please seek advice from the Procurement Team or HB Public Law)</p> <p><b>and</b></p> <p>Mini business case to be approved by Strategic Procurement Review Board</p> <p><b>and</b></p> <p>Following Strategic Procurement Review Board approval, full business case and quotation paperwork to be submitted to Review Board (Procurement, Legal and</p>	<p><b>Cabinet approval is required.</b></p> <p>Any contract over £1,000,000 is a significant decision and must be approved prior to procurement and prior to any contract award.</p>

Total Aggregate Contract Value <sup>7</sup>	How many quotes are required?	How should SBC approach the market?	Who leads the procurement?	Should the Contract be formally advertised?	What type of Contract is required?	Governance Process	Who must approve contract award? This is in line with the Governance Scheme of Delegation <sup>8</sup>
						Finance) before submission to the Executive Director  Capital Monitoring Board Approval required for all capital projects that fall within this value band.	

## 1. SCOPE

- 1.1 These Contract Procedure Rules provide the governance structure for the Council to procure works, goods and services.
- 1.2 The Contract Procedure Rules are designed to ensure that Authorised Officers obtain Best Value Services and Value for Money from purchasing arrangements. The Council has a responsibility to do this in a transparent way that offers best value for residents.
- 1.3 These **mandatory** Contract Procedure Rules apply to everyone who commissions or procures contracts on behalf of the Council, including external consultants and third party providers.
- 1.4 These Contract Procedure Rules should be read in conjunction with the Council's Financial Procedure Rules which set out mandatory financial procedures to be followed. These can be found by following the link. [Constitution \(slough.gov.uk\)](http://slough.gov.uk/constitution)
- 1.5 All procurement activity must be undertaken with regard to high standards of probity and in accordance with the relevant provisions of the ethical framework contained in Part 5 of the Council's Constitution.
- 1.6 All Officers must ensure that the Council's approved processes and standards for Procurement, as set out in these Contract Procedure Rules and the accompanying Procurement and contract management guidance are adhered to. Failure to comply with the requirements in these Contract Procedure Rules may result in disciplinary action in accordance with the Local Code of Conduct for Employees.
- 1.7 All information governance, insurance, safeguarding, social value, conflict of interest and business continuity requirements must also be adhered to in line with the Procurement and contract management guidance and the Council's Information Governance Policies.
- 1.8 These Contract Procedure Rules are designed to ensure compliance with the Council's Constitution, the Council's Financial Procedure Rules, Council policies, the Public Procurement Regulations 2015 (PCR15) and English law.
- 1.9 The Procurement Application and Authorisation Table set out within these Contract Procedure Rules provides a summary of the key requirements that must be adhered to for all procurements. However, all Council Officers are strongly advised to read the rest of these Contract Procedure Rules for further guidance and to seek the advice and support of the Procurement Team and HB Public Law as appropriate.
- 1.10 Where the Council is entering into a Contract as an agent and/or in collaboration with another public body or organisation, these Contract Procedure Rules apply only in so far as they are consistent with the requirements of the organisation with whom the Council is collaborating. Where the Council is acting as principal in such collaboration, then these Contract Procedure Rules will take precedence.
- 1.11 Framework Agreements that have been established by other Public Sector Bodies that are lawfully accessible to the Council should be used strictly in accordance with the terms and conditions of the relevant Framework Agreement. Please consult with the Procurement Team when procuring from a Framework Agreement.
- 1.12 The following are out of scope of the Contract Procedure Rules:

- 1.12.1 Any purchase or sale of a property, interest in land, transaction in land and or lease transaction is excluded from the Contract Procedure Rules but must be authorised in accordance with the requirements set out in the Constitution;
  - 1.12.2 Inter-authority arrangements and Inter-agency payments;
  - 1.12.3 Subscriptions/memberships;
  - 1.12.4 Emergency temporary accommodation for vulnerable people;
  - 1.12.5 Procurement of Services from other public bodies where it can be evidenced that the body is the only supplier of the goods or service;
  - 1.12.6 The receipt by the Council of grant funding e.g. from central government; and
  - 1.12.7 The award of grants by the Council to third parties.
- 1.13 However, in relation to grants:
- 1.13.1 When procuring goods, works or services using grant funding received, officers must comply with the terms of any related grant agreement and, where relevant, with public procurement rules and these Contract Procedure Rules; and
  - 1.13.2 When awarding Council grants, officers should ensure that principles of openness, fairness, equal treatment and value for money apply.
  - 1.13.3 Please contact the Procurement Team and/or HB Public Law for advice if required.

## **2. APPLICATION**

- 2.1 The Contract Procedure Rules provide the governance structure within which the Council may procure Supplies, Services and Works. The aims of these Contract Procedure Rules are to ensure:
- 2.1.1 Commitment to the principles of transparency, fairness, proportionality and equal treatment within the procurement process;
  - 2.1.2 Value for Money and propriety in the spending of public money;
  - 2.1.3 Supplies, services and works are delivered effectively and efficiently without compromising the Council's ability to take strategic decisions;
  - 2.1.4 The Council is not exposed to unnecessary risk or challenge arising from non-compliant procurement activity;
  - 2.1.5 Compliance with legislation, and relevant guidance including Procurement Policy Notes issued by the Crown Commercial Service; and



- 2.1.6 The delivery of economic, environmental and social value through Procurement.
- 2.2 Changes to the Council's financial thresholds set out in these Contract Procedure Rules which are below the UK Thresholds may, from time to time, be recommended by the Head of Commercial Services and Monitoring Officer.
- 2.3 The Head of Commercial Services and the Monitoring Officer shall maintain and issue the Contract Procedure Rules and the Procurement and contract management guidance. The Contract Procedure Rules take precedence over the Procurement and contract management guidance. Please report any inconsistencies in writing to the Head of Commercial Services.
- 2.4 The Procurement and contract management guidance provides a more detailed explanation of Procurement best practice, procedures, processes, associated Council policies and required Contract terms.
- 2.5 Unrestricted and full direct online access free of charge to the procurement documents must be available from the date of the publication in the Find a Tender Service of a Contract Notice or the date on which an invitation to confirm interest is sent.
- 2.6 Where there is inconsistency between these Contract Procedure Rules and the Financial Procedure Rules, the latter take precedence. Please report any inconsistencies in writing to the Monitoring Officer.

### **3. COMPLIANCE WITH CONFIDENTIALITY AND CONFLICTS OF INTEREST REQUIREMENTS**

- 3.1 All officers must take appropriate measures to protect confidentiality and effectively prevent, identify and remedy conflicts of interest arising in the conduct of Procurement procedures so as to avoid any distortion of competition and to ensure equal treatment of all suppliers. They should also comply with the Local Code of Conduct for Employees. If a conflict of interest is suspected or identified, such conflict should be immediately notified to the Monitoring Officer.
- 3.2 Should an Officer identify any actual or potential breach of the requirements of the Local Code of Conduct for Employees in connection with the formulation, procurement or administration of a contract (whether in relation to that of their own role or that of any other Officer) the Officer shall immediately notify the Monitoring Officer in writing. The Monitoring Officer will investigate the matter and recommend what action should be taken in consequence in connection with the contract concerned.
- 3.3 Where a Supplier or an undertaking related to a Supplier, has advised the Council, or has otherwise been involved in the preparation of the procurement process, the Council must take appropriate measures to ensure that competition is not distorted by the participation of that Supplier in the Procurement.

### **4. ROLES AND RESPONSIBILITIES**

Each Director and Group Manager is accountable for all Procurement activity in their respective departments. **Their role is to ensure:**

- 4.1 Compliance with the Constitution, Financial Procedure Rules, Contract Procedure Rules and the Procurement and contract management guidance;

- 4.2 Compliance with the Public Contract Regulations 2015 (the “**PCR**”);
- 4.3 Compliance with the Local Government Transparency Code October 2015 issued by the Department for Communities and Local Government;
- 4.4 That no commitment to enter into a Contract with a Supplier is made without the required Authorisation as set out in the Procurement Application and Authorisation Table in these Contract Procedure Rules;
- 4.5 That the 10 day Standstill Period between the Contract award decision and Contract signature/sealing is observed where required to do so. Please seek advice from the Procurement Team;
- 4.6 That the appropriate Council template contract has been used in the Procurement, or where such template contract is not applicable, that the alternative terms and conditions have been approved by HB Public Law. Input from Procurement must be sought for contracts over £25,000 to determine if legal advice is required from HB Public Law. (For the avoidance of doubt, the proper use of Framework Agreements is permitted under the Contract Procedure Rules in accordance with the Procurement Application and Authorisation Table.)
- 4.7 That no contract commences prior to the terms and conditions of contract being signed and, where necessary, sealed;
- 4.8 That all Contracts are awarded on the basis of the *Most Economically Advantageous Tender (MEAT)*. The MEAT shall be assessed from the Council’s point of view, namely that a tender shall be identified on the basis of the price or cost, using a cost-effectiveness approach, such as Life-Cycle Costing, and may include the best price-quality ratio, which shall be assessed on the basis of criteria, such as qualitative, environmental and/or social aspects, linked to the subject-matter of the Contract;
- 4.9 All risks have been identified, evaluated, recorded and appropriately mitigated (e.g. provision of performance bond, parent company guarantee and appropriate payment provisions and termination clauses within Contracts);
- 4.10 That all Invitation to Tender documents clearly describe the Evaluation Criteria, sub criteria and weighting and that the tender evaluation is based strictly on the published criteria and weighting;
- 4.11 That Evaluation Criteria require the bidders to state how they will meet social value considerations which are clearly linked to the subject matter of the contract (i.e. employment, training, apprenticeships, use of SME’s and local Suppliers);
- 4.12 Immediate corrective action is taken in the event of a breach of the Contract Procedure Rules and that any such breach is reported immediately to the Procurement Team; and
- 4.13 That Contracts are not artificially underestimated or disaggregated into two or more separate Contracts where the intent is to avoid the application of the Contract Procedure Rules or Public Procurement Regulations.

## 5. AUTHORISATION

- 5.1 Please refer to the Procurement Application and Authorisation Table contained within these Contract Procedure Rules.
- 5.2 For procurements with an anticipated value above £25,000, a detailed business case should be prepared and submitted for review to the board consisting of Procurement, Legal and Finance, before submission for approval in accordance with the Application and Authorisation table contained within these Contract Procedure Rules.
- 5.3 All transactions must fall within the powers delegated to the relevant officer and must have been approved by a decision (in accordance with the Council's Constitution) of the Executive, the Council or one of its committees or sub-committees.
- 5.4 No contract, agreement or other document shall be signed or sealed unless it gives effect to a decision or resolution (in accordance with the Council's Constitution) of the Cabinet, or one of its committees or sub-committees or in accordance with the Scheme of Delegation.
- 5.5 Any Procurement must be authorised in accordance with the Application and Authorisation table within these Contract Procedure Rules and Scheme of Delegation as published within Part 3.6 of the Constitution.
- 5.6 A Member shall not, either orally or in writing, enter into any contract on behalf of the Council.
- 5.7 A member shall not negotiate personally on behalf of the Council for the purchase of goods or services or the sale of any land, property, plant rights, or commodities or for any lease or tenancy.
- 5.8 Where appropriate, an Equalities Impact Assessment should be completed. Please refer to the Procurement Team for guidance.
- 5.9 The Council is a Regulated Activity Provider. The Council has ultimate responsibility for the management and control of Regulated Activities provided under Contracts procured pursuant to these Contract Procedure Rules for the purposes of the Safeguarding Vulnerable Groups Act 2006. The Relevant Officer must consider whether there are any Safeguarding aspects to their procurement and, if so, consult with the Safeguarding Lead for input.
- 5.10 The Council is committed to the need to identify and prevent all forms of modern slavery in Slough. Modern slavery is the illegal exploitation of people for personal or commercial gain. Appendix 1 sets out the Council's commitment to supply chain management regarding modern slavery. Officers must give due regard to this statement when conducting procurement.
- 5.11 A partnership arrangement must not be used as a means of avoiding the Contract Procedure Rules or Public Procurement Regulations. All new partnership arrangements are required to be reported as required by the Financial Procedure Rules. This clause is not applicable to the award of grant payments.

## 6. PROCUREMENT METHOD

- 6.1 Authorised Officers must treat Suppliers equally and without discrimination and must act in a transparent and proportionate manner.
- 6.2 Before commencing a Procurement procedure Authorised Officers may conduct market consultations with a view to preparing the Procurement and informing Suppliers of their Procurement plans and requirements provided that it does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency. Officers may, for example, seek or accept advice from independent experts or authorities or from market participants. Please consult with the Procurement Team before commencing market consultation.
- 6.3 The default position in acquiring Supplies, Services and Works should always be open competition through competitive tendering. Please refer to the Procurement Application and Authorisation Table set out within these Contract Procedure Rules to determine the Procurement process that should be used.
- 6.4 The Procurement Team must be consulted on promoting opportunities to local companies through Business Newsletters and Supplier Events.
- 6.5 All tender opportunities for Supplies, Services and Works over £25,000 will be advertised on the SE Shared Services E-portal system in accordance with the Procurement Application and Authorisation Table. In addition, all tender opportunities for Supplies, Services and Works over £25,000 must be advertised on Contracts Finder. Procurement over the UK financial threshold must be advertised in the Find a Tender Service (FTS) and on Contracts Finder. A Contract Award Notice must also be published on Contracts Finder. Please consult with the Procurement Team.
- 6.6 The use of Selection Questionnaires (“**SQs**”) can only be used for contract values above the UK financial Threshold. Suitability Assessment Questions may be asked as appropriate for contract values below the UK financial Threshold. Please contact the Procurement Team for the appropriate procurement document template.
- 6.7 The Procurement Team must approve accessing externally established Framework Agreements. Approval for subsequent call-offs from the approved Framework Agreements will be subject to the requirements of these Contract Procedure Rules and compliance with the rules for call-off set out in the Framework Agreement.
- 6.8 Procurement activity for Contracts for certain health, social, community, educational and cultural related services, “Light-Touch Regime Services”, whose value is equal to or over the threshold of £663,540 must be tendered and awarded in compliance with the PCR. Please seek input from the Procurement Team in connection with the procurement and award of Light-Touch Regime Services Contracts. For the avoidance of doubt, procurements for such Light-Touch Regime Services below the threshold of £663,540 must still be conducted in accordance with the principles of these Contract Procedure Rules. The Procurement Team must be contacted for guidance and support on such procurements.
- 6.9 Authorised Officers may decide to award a Contract in the form of separate lots and may determine the size and subject-matter of such lots. The Authorised Officer must document the main reasons for their decision not to subdivide into lots.

**7. ENGAGEMENT OF CONSULTANTS**

- 7.1 An Authorised Officer may only appoint an external consultancy or advisory firm providing professional or consulting services if such services are not available within the Council or if Council officers providing them do not have the resources to meet the needs of the service.
- 7.2 Appointment of individual consultants and individual advisors must be procured through the Council's corporate contract for temporary agency resources where appropriate.
- 7.3 Subject to the corporate contract not meeting the service needs, and the resources not being available across the Council, the Authorised Officer shall seek to procure an external consultancy or advisory firm providing professional or consulting services. Such procurement shall comply with the appropriate threshold/process as set out in the Procurement Application and Authorisation Table contained within these Contract Procedure Rules.

**8. SINGLE TENDER ACTION**

- 8.1 A Single Tender Action is the awarding of a Contract to a Supplier without undertaking a competitive tendering exercise. This is permitted only in exceptional circumstances. Procurement advice should be sought in all cases from the Procurement Team. Exceptional circumstances may include where the works, supplies or services can only be supplied by a particular Supplier.
- 8.2 Where a competition has been undertaken and only a single bid has been received, the award of a Contract subject to an appropriate review being undertaken and an audit trail being available for inspection, can be approved by an Authorised Officer and or Cabinet.

**9. CONCESSION CONTRACTS**

- 9.1 Concession Contracts are contracts under which the Council outsources works or services to a Supplier, who then has the right to commercially exploit those works or services in order to recoup its investment and make a return. The key feature is that the Supplier bears the operating risk of the arrangement and so has no guarantee of recouping its investment or operating costs.
- 9.2 Concession Contracts must meet certain requirements and advice should be sought from the Procurement Team and HB Public Law.

**10. INFORMATION GOVERNANCE**

- 10.1 When procuring, the responsible Officer must ensure Due Diligence checks are carried out to provide sufficient guarantees that the Supplier's technical and organisational security measures for handling and protecting information and data are appropriate, suitable and lawful. This is a requirement under Data Protection Legislation<sup>9</sup>.
- 10.2 Evidence of these checks, copies of policies and guarantees provided by the Supplier

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<sup>9</sup> Data Protection Legislation means (i) the Data Protection Act 2018; (ii) the GDPR, the Law Enforcement Directive and any applicable national implementing Laws as amended from time to time; and (iii) all applicable Law about the processing of Personal Data and privacy.

must be retained by the Officer responsible for management of the Contract and be regularly reviewed throughout the life of the Contract. Please refer to the Procurement and contract management guidance for more detail or contact the Information Governance Officer.

- 10.3 Contract managers must ensure appropriate security measures are applied to prevent the unauthorised or unlawful processing of personal data or accidental loss or destruction of, or damage to, personal data.
- 10.4 Officers must ensure that contracts with providers that involve the processing of personal data contain clauses as required by the Data Protection Legislation. The Council's Standard Contracts contain these clauses.

## **11. ACCEPTANCE**

- 11.1 Acceptance of Contracts must be in accordance with the Constitution, and in all cases is subject to:
  - 11.1.1 Confirmation of budgetary provision as initially identified and allocated prior to any Procurement activity;
  - 11.1.2 A compliant Procurement process having been carried out; and
  - 11.1.3 Confirmation of the acceptable financial status of the contractor.
- 11.2 All contracts entered into by the Council must be in writing in a form approved by HB Public Law. Where a Council template contract is used, or such template contract is to be amended, this shall be prepared and/or ratified by HB Public Law.
- 11.3 Acceptance thresholds for Contract extensions and variations of all values are subject to further conditions as set out in Section 13 (Extensions and Variations) of these Contract Procedure Rules.

## **12. CONTRACT SIGNING AND SEALING**

- 12.1 Every Contract must be in the contract form specified in the Procurement Application and Authorisation Table set out within these Contract Procedure Rules.
- 12.2 Every contract novation, contract extension or contract variation must use the appropriate SBC template. Please refer to the Procurement Team for such templates and seek advice from HB Public Law.
- 12.3 Contracts with an Estimated Procurement Value greater than £100,000 must be sealed on behalf of the Council unless the Monitoring Officer or delegated officer directs otherwise. Legal input from HB Public Law should be sought on such Contracts.
- 12.4 In exceptional circumstances, where an IT Contract term is not fixed, the Estimated Procurement Value is calculated by multiplying the monthly spend value by 48 in accordance with Regulation 6 of the Public Contracts Regulations 2015. Please refer to the Procurement Team for advice on any such IT Contracts.
- 12.5 In the case of Framework Agreements or Dynamic Purchasing Systems the Estimated Procurement Value is calculated to include the total estimated value, net of VAT, of all

the individual contracts envisaged for the total term of the Framework Agreement or the Dynamic Purchasing System.

- 12.6 Where the Monitoring Officer or delegated officer considers it desirable that a Contract should be sealed other than as specified above, then such Contract must be sealed.
- 12.7 All Contracts should have a clear start and end date and detail any extension options permissible.

### **13. EXTENSIONS AND VARIATIONS**

13.1 Contracts may only be extended if the following provisions are met:

- 13.1.1 The original Contract was awarded on a Contract Procedure Rules compliant competitive tender or quotation process and includes an option to extend;
- 13.1.2 The extension or variation is in accordance with the terms and conditions of the existing Contract. Input from the Procurement Team should be sought to confirm this is the case and to support the drafting of the extension and/or variation documents;
- 13.1.3 If the initial Contract was subject to UK Threshold procurement procedures (or EU procedures prior to January 2020), that the extension option was declared within the Find a Tender Service Notice or OJEU Contract Notice if prior to January 2020;
- 13.1.4 The Contract has not been extended beyond the approved extension period; and
- 13.1.5 Approval has been sought and obtained as per the Application and Authorisation Table within these Contract Procedure Rules following submission of a Business Case detailing the Contract Extension requirements.

13.2 In the event that the provisions of 13.1.1 to 13.1.5 are not met then an Exemption must be sought in accordance with section 14 (Exemptions) or alternatively a new Procurement must commence.

13.3 Regulation 72 of the Public Contracts Regulations 2015 permits an amendment, extension or renewal of an existing Contract without triggering a new Procurement exercise in the following cases:

- 13.3.1 The original Contract includes a “clear, precise and unequivocal review clause”. The overall nature of the Contract must not be altered as a result of the change;
- 13.3.2 New Services, Supplies and Works need to be purchased from the Supplier and a change of Supplier cannot be realistically made for economic or technical reasons and would cause significant inconvenience or substantial duplication of the Council’s costs. This is subject to the provision that each change does not increase the Contract’s value by more than 50 per cent as a result;
- 13.3.3 Circumstances have arisen that the Council could not reasonably have foreseen and that require an amendment to the existing Contract. The Contract’s overall nature must not be altered and the Contract’s value must not increase by more than 50 per cent as a result of any change;
- 13.3.4 A new Supplier is required to replace the Supplier originally party to the

Contract, either because this is the result of corporate restructuring, including takeover, merger, acquisition or insolvency leading to a universal or partial succession of the original Supplier, or because this change was envisaged in a review clause in the original Contract. This provision cannot be relied on if the Supplier is being replaced for a different reason;

13.3.5 The value of the modification is both below the UK Procurement Thresholds and is less than 10 per cent of the initial Contract value (where the contract is for Supplies or Services) or less than 15 per cent of the initial Contract value, in the case of a Works Contract. More than one change can be made under this provision provided the cumulative value of the modifications does not exceed UK Procurement Thresholds.

13.3.6 The proposed modifications are insubstantial. This does not include any modifications that result in any of the following:

- i. The Contract would become materially different;
- ii. The scope of the Contract would extend considerably;
- iii. The outcome of the initial Procurement procedure would have been different had the modification been implemented at that time. For example, other tenders would have been accepted or other candidates would have been admitted;
- iv. The economic balance would shift in favour of the Supplier; or
- v. A new Supplier would replace the original Supplier in a circumstance not provided for in paragraph 13.3.4 above.

13.4 Officers must consult with the Procurement Team to confirm if any of the circumstances set out in section 13.3 above apply, permitting a Contract amendment, extension or renewal and must also comply with the Procurement Application and Authorisation Table.

13.5 A Contract Variation Notice needs to be sent to Find a Tender Service in the case of Contract variations permitted and made in accordance with paragraphs 13.3.2 and 13.3.3 above.

13.6 In the event that the provisions of paragraph 13.3 are not met then an exemption must be sought in accordance with section 14 (Exemptions) or alternatively a new Procurement must commence.

## **14. EXEMPTIONS**

14.1 Circumstances may arise where permission is required to waive one or more of the Contract Procedure Rules. Exemptions are reserved for exceptional circumstances and will only be approved where good and sufficient reason has been demonstrated. An Exemption will not be granted simply on the grounds of convenience or because of inadequate forward planning.



- 14.2 The Council can only waive the rules established by the Council. The Council cannot waive UK law or UK Procurement Regulations.
- 14.3 Exemptions (in whole or in part) from the requirements set out in these Contract Procedure Rules may only be obtained by completing a Procurement Business Case.
- 14.4 The Business Case must be submitted to the Review Board for Procurement, Legal and Finance for initial consideration. If the Review Board is satisfied that the Exemption request meets the requirements of this section of the Contract Procedure Rules, the Business Case shall be submitted as per the Application and Authorisation table in these Contract Procedure Rules.
- 14.5 Exemption requests being sought due to an emergency (definition 14.10 c) below) may be approved outside of the Review Board. In such circumstances, a business case or report detailing the situation and proposed rectification must be submitted to the Executive Director Finance and Commercial for approval in consultation with the monitoring officer.
- 14.6 The Review Board must be satisfied that special circumstances exist which warrant an exemption being permitted. Such Exemption requests must set out in detail the terms of any exemption from the requirements set out in these Contract Procedure Rules.
- 14.7 Exemptions to any of the Council's rules must be sought in advance of any contractual agreement, order placement, use of Works, Services or purchase of Supplies.
- 14.8 Any Exemption can only be granted for a maximum period of 12 (twelve) months unless it can be demonstrated that any longer period is in the best interest of the Council.
- 14.9 Any Exemption can only be granted where the value of the exemption is below the relevant UK Threshold.
- 14.10 The circumstances under which an Exemption can be agreed are limited to the following circumstances:
- a) **Sole Supplier:** It can be proven that there is only one Supplier who can deliver the Supplies or Services. (It is considered better practice to issue a tender to evidence that there is only one Supplier capable of delivering such Supplies or Services);
  - b) **Demonstrable Best Interest:** It can be demonstrated that it is in the Council's best interest and this is clearly demonstrated in the Exemption report. (For example, the Council is seeking to redesign service provision or exploring internal / external collaboration opportunities and therefore direct award to the incumbent provider is required for intervening period only);
  - c) **Emergency:** There is a clear need to provide a service or a product immediately in the instance of a sudden unforeseen crisis; the immediate risk is to health, life, property or environment (for example, Natural Disaster; Civil Unrest;

Provider going into administration);

- d) **Service Imperative: Demonstrable circumstance that is exceptional:** For example, an unanticipated delay during the tender process or Strategy and / or Spec and service design not completed when tender needed to begin for unforeseen reasons. For the avoidance of doubt, an Exemption will not be granted simply on the grounds of convenience or because of inadequate forward planning; and/or
  
- e) **Extension as an Exemption:** Where an extension to a Contract is being sought but it is not possible under the current terms and conditions of the Contract.

**For any queries not covered within these Contract Procedure Rules, please contact the Head of Commercial Services.**

**October 2022**

## Appendix 1 – Modern Slavery Statement Supply Chain Management

This Statement sets the Council actions to understand all potential modern slavery risks related to its activities and to put in place steps to eliminate acts of modern slavery and human trafficking within its business and in its supply chains, sub-contractors and partners. As part of local government, the Council recognises its responsibilities to take a robust approach to slavery and human trafficking.

The Council's Commercial services team employ best practice to ensure that effective contract management is applied to suppliers and their supply chains to deliver the Council's requirements in the most cost-effective manner. This includes the identification and management of risks in relation to modern slavery and human trafficking and is done by:

- Increasing openness, transparency and efficiency in the management of supply chains
- Improving ability to identify strengths, weaknesses, opportunities and threats in supply chains
- Improving communications with suppliers
- Enhancing relationships with suppliers

Contract managers are responsible for ensuring that suppliers comply with the terms of each contract.

The Commercial services team is continuing to review how modern slavery can be better incorporated into the contract management process by:

- Facilitating refresher training for the Council Procurement team on implementing supply chain due diligence, followed by a wider programme of staff awareness raising to support Modern Slavery Act implementation;
- Continue to review standard tender questions that require bidders to evidence their compliance with the Modern Slavery Act, and support bidders who fail to evidence their compliance and are potentially excluded from participating further in the tender process;
- Continue to strengthen clauses within the Council's standard contract terms that specify the supplier's contractual obligations concerning Modern Slavery;
- Continue to work with suppliers to improve the transparency of end-to-end supply chains and to better understand higher risk spend categories; and

- Continue to work in partnership with a wide range of agencies to reduce the risk of human rights abuse, to detect and report occurrences and to support victims.
- To review relevant organisational policies and strategies to ensure that they underpin the objectives of the Council in supporting the victims of modern slavery and human trafficking.

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council **DATE:** 22<sup>nd</sup> November, 2022

**CONTACT OFFICER:** Shabana Kauser  
**(For all enquiries)** Principal Democratic Services Officer  
07821 811 259

**WARD(S):** All

**PART I**  
**FOR DECISION****MOTIONS SUBMITTED TO COUNCIL UNDER PROCEDURE RULE 14**

The following motion has been received in accordance with Council Procedure Rule 14:-

**A) Cost of Living Crisis**

(Moved by Councillor Brooker, seconded by Councillor Hulme)

“This Council recognises that cost of living pressures have risen to such an extent that some residents are struggling to manage and, for many, the situation has now effectively become an emergency.

Slough Borough Council, using what resources are available to us to provide assistance, will prioritise support for our residents to those who need it most. We resolve to:

- Prepare a formal 'state of Slough' report to better understand and fully assess the impacts of the current crisis.
- Arrange meetings with partner organisations to ensure we co-ordinate staff, volunteers, and operational tasks between our organisations to assist residents through our responses to the cost-of-living crisis as fully and efficiently as we can and to ensure that all those involved in response activity are well-trained and aware of risks faced by individuals.
- Refresh the 'One Slough' Voluntary Sector Partnership and equip it to lead in providing help to residents in tackling issues arising from the cost-of-living crisis.
- Provide £15 food vouchers, per week per child, to households in receipt of free school meals (under tranche three of the Housing Support Fund) to cover school holidays from Christmas 2022 until February 2023.
- Compile a list of public buildings locally that during this winter will be regularly open, staffed, heated and warm - where residents who can't afford to heat their homes can safely and comfortably spend time at no cost.

This Council also resolves to write to the UK Government calling on them to:

- Convene an emergency response committee to tackle cost of living pressures with urgent measures
- Immediately reduce VAT on home energy bills and produce a sustainable plan to rapidly invest in insulating homes that have poor energy efficiency/performance.
- Review the legislation, method and calculations used to set Local Housing Allowance to ensure that rates are more responsive to areas with high and increasing market rents, so that LHA can better respond to housing cost pressures
- Announce a medium-term financial settlement for Local Authorities so they can plan and prepare budgets over a medium-term financial cycle, ensure through this settlement that local Authorities are adequately resourced for the life of their MTFs, and use the settlement to help local Councils provide proper support for residents during the cost-of-living crisis.
- Recognise the particular needs of the urban authorities, with high levels of deprivation, and prioritise these within the government's refreshed commitment to 'Levelling Up' activity.”