

11 August 2022

Siobhan Jones Director
Local Government Policy Department for Levelling Up
Housing and Communities
2 Marsham Street
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Dear Siobhan Jones

SLOUGH BOROUGH COUNCIL – PROPOSED CHANGE TO DIRECTIONS

Thank you for your letter of 28 July 2022. As Mr Jones was co-author of the letter from the commissioners in his capacity as Assistant Commissioner, we are responding on behalf of the Council. In formulating this reply, we have consulted with the Leader, Lead Members, Leader of the Opposition (who has sent his own reply), senior officers, the trade unions and the commissioners.

Your letter states the Council is not meeting the requirements of the Direction, specifically in relation to the officer structure and scheme of delegation. For this reason, it is necessary to set out in some detail the steps the Council has taken to comply with the Direction.

The Council agrees the challenge and scale of its issues are unparalleled. There is no single reason for this; they arose over 5-6 years from very poor Council-wide corporate leadership, lack of corporate capability and damaged organisational culture. More specifically they arose from excessive borrowing, a failed Council re-structure, inadequate financial management and governance; it will take a similar period to address them. We agree with the commissioners there is no certainty that the Council can implement all the initiatives required, however progress has been made and officers and members are very committed to making the difficult decisions needed to address the issues and have been working hard to do so since July 2021. We would like to place on record our thanks for the support and constructive challenge from the commissioner team and DLUHC colleagues as well as thank the work and support of the wider local government community, including the LGA, Local Partnerships, Centre for Governance and Scrutiny (CfGS) and other local authorities. We confirm our ongoing commitment to work in an open and co-operative way on our improvement plans.

Elected members have accepted that the Council has failed to meet its best value duty and change is required. Members and officers alike wish to rebuild the trust of residents, taxpayers, service users and wider stakeholders and have made commitments in the Council's Corporate Plan.

On the officer structure, the Council accepts there is more to do, and this was clear from the scale of capacity issues flagged in the functional capability assessments reported to Cabinet in March 2022. The organisation was scarred by the previous failed whole council restructure,

and it would not have been right to embark on a similarly large-scale restructure to correct these failures. This risked more staff leaving the organisation, exacerbating the problem. Despite the previous failings, there are many dedicated and competent staff across the variety of services the Council delivers; these staff are critical to the recovery journey.

The Council has undertaken a senior management restructure covering the top two tiers, with appointments currently being made to build capacity, as well as undertaking fundamental restructures of finance and ICT. Organisational change programmes have taken place in response to decisions to close and reduce directly provided adult services and libraries. Finally, there have been changes in other services including regrading roles, agreeing market supplements and appointing experienced interims and consultants. Specifically in relation to recruitment of tier 1 officers, a new Executive Director of Property and Housing has been recruited this week, with the final vacancy being recruited to next week.

The Council needs to balance pace with fair and lawful processes, bearing in mind the criticisms rightly made about poor governance in the past. The Council has completed and submitted the 2018/19 accounts to the external auditors and will submit the remaining years by March 2023, is delivering a major ASC transformation programme with significant savings over 3 years from 2021/22, planned and commenced implementation of an asset disposal programme with major sites marketed and all sites within Slough Urban Renewal subject to an in-depth review, reviewed its companies governance, including closing down 5 companies and improving governance of the remainder. Comprehensive updates on financial recovery have been presented to Cabinet and every Council from September 2021.

On its governance arrangements, the Council has implemented changes to its Audit and Corporate Governance Committee, set up a new Standards Committee, worked with CfGS on a review of its scrutiny function, redrafted the scheme of delegation and delivered training on the same and amended the executive decision-making and contract procedure rules to permit greater public participation and ensure value for money procurement. This progress has been made despite three executive directors leaving between September and December 2021 and the chief executive not being at work. Following a Council-initiated statutory disciplinary process, the lead commissioner utilised this to dismiss the former chief executive and appointed a new chief executive in March 2022.

The Council agrees the £20 million savings target is challenging. It is fair to say in the past, the Council has not taken decisions to reduce or remove services that many other local authorities implemented years ago. Officers have worked with elected members to ensure decisions are made on necessary service changes to plan for the £20m annual savings as quickly as possible, whilst of course undertaking appropriate consultation and engagement with stakeholders. Examples of these include reducing staffing and opening hours of all libraries, planned changes to waste collection services, closure of directly provided day and residential centres, proposed changes to services and introduction of charges for home to school and Post 16 travel assistance and implementation of a new ASC debt policy leading to timely assessment, invoicing and collection of debt.

We are currently progressing on savings targets for 2022/23 and 2023/24. The depth and nature of such proposals will undoubtedly develop further in forthcoming years. The Council's budget and savings targets are of course based on estimates and assumptions due to the

lack of audited accounts since 2018/19, but as set out in the Council's approved strategy we are clear a very large number of assets will need to be disposed of to reduce borrowing and further significant changes will be needed in service delivery.

Some of the pressures on the Council's budget are affected by national and international factors, including recruitment difficulties, energy and other inflationary pressures and the impact of likely national pay rises. Many local authorities are struggling to develop sustainable medium term financial strategies, promptly produce quality accounts etc. in these circumstances. Despite this, as noted above, the Council has and continues to make very significant progress with its financial management in the last year.

In the spirit of openness and transparency, the Council wishes to flag some discrepancies in the commissioners' letter:

- the proportion of business rates retained within the borough is 38 per cent, after accounting for tariff and levy payments, not 50 per cent
- the MRP budget quoted was provided at £40k in 2020/21 and should have been £18m in that year, rising to £32m in 2022/23
- the issues with MRP were first reported to Council in July 2021 and have been reported regularly to the Council and DLUHC throughout 2021/22
- the finance recovery plan began in May 2021 and was first reported to Council in September 2021 not December 2021

Regarding the proposed change to the Direction, the Council accepts this on the basis that whilst the power of direction is there, we hope the commissioners do not see the need to utilise it if the Council is able to make sound decisions by itself. The Council is committed to making such decisions promptly and appropriately and very much welcomes the support of the Commissioners for the short to medium term. In the medium to longer term the Council is determined to own the issues, working together with commissioners to resolve these for the future of Slough. All parties agree that we want to get appropriately skilled workforce in place that can represent the diverse community of Slough. Consequently, if commissioners do need to utilise the powers, we would expect lawful and fair processes to be followed to ensure proper governance and the right structure to achieve the improvements the residents and taxpayers of Slough deserve. The Council is absolutely committed to a shared determination to work at pace to rectify the issues of the past.

Yours sincerely

S J Mair, Executive Director Finance and Commercial (s151)
S Wilson, Monitoring Officer