



Ministry of Housing,  
Communities &  
Local Government

**Catherine Frances**  
Director General, Local Government,  
Strategy & Analysis  
**Ministry of Housing, Communities  
& Local Government**  
2 Marsham Street  
London SW1P 4DF

Jim Taylor

30 June 2021

Dear Jim,

I am writing to thank you for agreeing to lead the governance element of an external assurance review at Slough Borough Council. This is a condition of the in principle support agreed between MHCLG and the Council in respect of 2021/22. The review's findings and any recommendations will inform a final decision on any capitalisation agreed for 2021/22 and any specific legal conditions that may be attached to that support. This letter formally appoints you on behalf of the Secretary of State and confirms the terms of reference that we have agreed for your work.

The assurance review will provide a comprehensive assessment of Slough's financial position and the strength of its wider governance arrangements. It is intended to provide the Secretary of State with assurance on the Council's ability to deliver a plan for financial sustainability without further recourse to Government for additional support. We also expect that a plan to take forward any recommendations will be agreed with the Council prior to any capitalisation direction being granted. In the event of a failure by the Council to demonstrate sufficient progress, or should any other relevant evidence come to light, the Secretary of State will consider whether it is appropriate to use the Best Value powers available to him.

As you are aware, the Chartered Institute of Public Finance and Accountancy (CIPFA) have been commissioned to undertake the financial part of this assurance review. They will scrutinise Slough's financial pressures and the Council's ability to manage them outside the use of additional borrowing. This work will run concurrently and will inform your own assessment of the strength of the Council's wider governance arrangements. We expect you to work collaboratively and to report at the same time as CIPFA. We have agreed that both elements of the assurance review will be completed by mid-August.

We expect your review to include an assessment of whether the Council has the right governance procedures in place; and whether the Council has the necessary capability and capacity to make any necessary transformation. We also expect the report to make recommendations. We will publish your final report in due course on gov.uk.

We have agreed a range of themes for the governance review. These reflect the guidance we published in June 2020, drawing from lessons learnt about organisational culture and governance from recent intervention areas. The themes for your review also align with Best Value principles:

- *Governance*, e.g. sense of strategic vision and direction, adequate structure and internal processes; key senior posts filled with permanent appointments;
- *Culture and leadership*, e.g. positive and open relationships between councillors and officers, and openness to challenge;

- *Financial governance*, e.g. the extent to which poor financial management has been caused by weak decision making, scrutiny of financial decisions and governance arrangements including for commercial investments;
- *Services*, e.g. whether governance weaknesses have impacted upon the effectiveness and/or efficiency of service delivery; and
- *Capacity and/or capability to improve*, e.g. acknowledging problems and engaging with sector support; evidence that attempts at improvement (possibly with sector support) have been effective.

We have agreed that your work will be predominantly carried out by meeting key individuals both within and outside the Council. This will include Commissioner Trevor Doughty, appointed by the Department of Education to oversee improvements in children's services and to advise the Children's Trust that transferred to a council owned company in April. You are also going to draw on the improvement work that is already being carried out at the Council, in particular in response to the LGA's February 2020 governance peer review and the statutory recommendations issued by its external auditor in April 2021. We expect the review to assess the Council's progress against delivering on its internal governance plan to ensure that the significant governance concerns raised are being addressed effectively and at pace.

The auditor raised significant concerns in their statutory recommendations, and there is ongoing work to clarify the scale of the financial challenge in Slough. The review should therefore determine whether the Council has taken adequate steps to understand the extent to which issues stretch beyond financial management, as well as whether weaknesses in governance and oversight have contributed to the Council's financial issues. We will want you to consider whether the council is now adequately internalising and confronting any issues identified by the Auditors and the implications of their further work on financial challenges.

You will want to note that I have agreed with the Chief Executive that you should have access to any document or information, whether by hard copy or electronically, relating to Slough which appears to you to be necessary for the purposes of your review. This includes documents that may be considered confidential from a public perspective.

My team will provide support in collating background information and provide secretariat support if you would find this helpful. We will also provide press support to help manage any press interest in your work with the Council. Because of the independent nature of this review, we will not provide IT.

My team is available to discuss your role and how you intend to proceed in more detail. If you have any questions, please feel free to get in touch at any time. Max Soule, Deputy Director for Local Government Stewardship, will be the lead official in my team for your work.

I am copying this letter to the Leader and Chief Executive of Slough Borough Council.

Yours,

**CATHERINE FRANCES**