



Department for Levelling Up,  
Housing & Communities

**Max Soule**

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Steven Mair  
Via Email

01 December 2021

Mr Mair,

I am writing to inform you that the Secretary of State for Levelling Up, Communities and Housing has today made Directions, under section 15(5) and (6) of the Local Government Act 1999, in relation to your Authority. I enclose a copy of the Directions, together with an Explanatory Memorandum, which will also be published on gov.uk, together with supporting material and this letter.

The Directions implement the intervention package which the Secretary of State proposed on 25 October 2021 and as set out in my letter to you of that date, with one clarification, which is described below.

You will see that the Directions and Explanatory Memorandum provide for the Secretary of State to nominate two Commissioners: a Lead Commissioner and a Finance Commissioner. The Secretary of State has nominated Max Caller CBE as Lead Commissioner and Margaret Lee as Finance Commissioner. It will be for the Commissioners to consider once they are in post what additional support, including assistant commissioners, may be needed to secure improvement. If further appointments are necessary, the Secretary of State hopes to appoint someone to reflect the diversity of Slough's population.

The Secretary of State has made provisions in the Directions in relation to the Commissioners, including for them to perform certain functions and roles overseeing actions which the Authority is to perform. The Commissioners are accountable to the Secretary of State in that they have been nominated by him and can have their nomination withdrawn by him.

The Directions set out the following functions to be exercised by the Commissioners:

- All functions associated with the governance and scrutiny of strategic decision making by the Authority.

- The requirement at section 151 of the Local Government Act 1972 to arrange for the proper administration of the Authority's financial affairs, and all functions associated with the strategic financial management of the Authority, to include:
  - providing advice and challenge to the Authority on the preparation and implementation of a detailed plan to close its short and long-term budget gap in response to the section 114 notice;
  - providing advice and challenge to the Authority in the setting of annual budgets and a robust medium term financial strategy (MTFS) for the Authority, limiting future borrowing and capital spending;
  - scrutiny of all in-year amendments to annual budgets;
  - the power to amend budgets where Commissioners consider that those budgets constitute a risk to the Authority's ability to fulfil its best value duty; and
  - providing advice and challenge to the Authority on the preparation of an outline asset disposal plan.
- All functions associated with the oversight of collection of revenues (Council Tax and Business Rates) and the distribution of benefits (Housing Benefit and Council Tax Support) by the Authority.
- All non-executive functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers.

The exercise of these functions should enable the Commissioners to oversee the reset that is needed and make sure that the work currently being undertaken is continued at pace and embedded. It is envisaged that, in exercising any function, the Commissioners will have regard to any views of the Authority's Members and officers arrived at through their normal processes of consideration. The Secretary of State's intention is that the powers he has provided to the Commissioners should only be used as a last resort should the Authority not satisfy the Commissioners in their improvement processes.

The Directions require your Authority to take certain actions:

- In the first three months undertake an assessment of the functional capability of all service areas identifying the gaps in capacity and capability, and within the first six months prepare and agree action plans to the satisfaction of the Commissioners.
- To undertake in the exercise of any of its functions any action that the Commissioners may reasonably require to avoid so far as practicable incidents of poor governance or financial mismanagement that would, in the reasonable opinion of the Commissioners, give rise to the risk of further failures by the Authority to comply with the best value duty.
- 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 outline action plan to achieve deliver financial sustainability and to close the long-term budget gap identified by the Authority across the period of its medium term financial strategy (MTFS).
  - An action plan to achieve improvements in relation to the proper functioning of democratic services, 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.
  - An action plan to achieve improvements in relation to the proper functioning of the scrutiny function, to include a review of the Council strategic risk register to make it fit for purpose.
  - An action plan to achieve improvements in relation to the proper functioning of internal audit, 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.
  - An action plan to achieve improvements in relation to the proper functioning of the procurement and contract management function, which includes an independent review.
  - An action plan to achieve improvements in relation to the proper functioning of the Authority's IT.
  - 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.
- To report to the Commissioners on the delivery of the Improvement Plan at six monthly intervals, or at such intervals as the Commissioners may direct, and adopt any recommendations of the Commissioners with respect to the Improvement Plan and its implementation.
  - 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.
  - 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). For those companies that it is agreed to continue, make sure that the Directors appointed by the Authority are appropriately skilled in either technical or company governance matters to make sure each Board functions effectively under the terms of an explicit shareholder agreement and a nominated shareholder representative. For those

companies which it is determined not to continue with in this form, to establish a plan to internalise, close or sell as appropriate.

- 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.

I appreciate that the Council has already started taking steps in relation to these actions and thank you for the detail you have already provided. You will wish to be aware that the Secretary of State expects the Commissioners to take an interest in matters across Slough Borough Council, beyond those functions they are exercising, given the importance of ensuring that the Council is delivering best value in all that it does.

The Directions also require your Authority to take certain actions, including providing the Commissioners with such reasonable amenities, services and administrative support as the Commissioners may reasonably require from time to time to undertake their functions and responsibilities under these Directions and to allow the Commissioners at all reasonable times access to any premises of your Authority, to any document relating to your Authority, and to any employee or member of your Authority.

In addition to the administrative support you will be providing to the Commissioners, the Department has made arrangements for a civil servant to be appointed as Chief of Staff, and further resource which could be made available during the intervention as required.

The Directions also require your Authority to pay the Commissioners reasonable expenses and such fees as the Secretary of State determines to be paid to them. The Secretary of State is mindful of the need for Commissioner remuneration to represent value for money for local taxpayers. In recognition of the nature and scale of the intervention, he has determined fees of £1,200 per day for the lead Commissioner and £1,100 per day for the Finance Commissioner. The Secretary of State also expects the Commissioners to be paid reasonable expenses in accordance with the rules for senior officers set out in your Authority's staff handbook.

The Directions will remain in force until 30 November 2024 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

The Secretary of State was pleased to note that the Authority has started to look at moving to whole council elections to be held in Slough every four years. This will be another matter on which the Authority should work closely with Commissioners and the Secretary of State is expecting updates from his Commissioners. The Secretary of State is clear that moving to whole council elections will be an important step in the Authority's recovery.

Finally, you will wish to note that the Secretary of State has asked for six monthly reports from the Commissioners, or at such other times as he might agree with the Commissioners, which allows for a process for regular review of whether it would be appropriate for any function exercisable by the Commissioners to be returned to the

Authority. The Secretary of State has not ruled out the possibility that further functions might be brought under the control of the Commissioners. The first report is expected as soon as is practicable after the date of the intervention, within the first three months.

I am copying this letter to your Authority's Section 151 Officer, and to its Monitoring Officer.

Yours sincerely,

Maxwell Soule  
Deputy Director, Local Government Stewardship