

Slough Borough Council Best Value Commissioners

Dear Minister,

Since the beginning of the intervention in December 2021, recovery progress in Slough has been inconsistent. It was therefore pleasing to be able to report improvement in the Commissioners' 6th report, whilst recognising there were still many issues that needed to be addressed.

Despite continued hard work by many, the Council has struggled to maintain and build on its previous progress, leading to a sense of "plateauing". There have been serious financial challenges emerging that the Council has yet to effectively respond to, putting at risk the financial sustainability of the Council. There is a significant in-year financial gap and to date there has been limited progress in identifying mitigating savings. In turn this is having an impact on the viability of the Council's medium term financial position.

In the previous report, Commissioners highlighted the importance of a credible and appropriately resourced transformation plan supported by a robust Target Operating Model (TOM). Whilst not solving all the Council's service and financial issues, an impactful transformation plan should contribute to improving service standards and enable the Council to run its services at a more cost-effective level. Whilst there have been attempts to develop a credible transformation plan, progress has been slow. The Council has struggled to clearly articulate its areas of focus and to build corporate commitment to a viable plan for change.

Under the leadership of the Managing Director Commissioner (MDC) the Council has recently procured third party support to help them define their TOM and to identify the potential for significant financial savings through transformation. To capitalise on this work going forward, the Council will need to enhance its leadership capacity and capability and implement appropriate governance arrangements to drive through implementation at pace.

The appointment of an MDC has brought stability to the organisation and has improved coordination and joint working between Cabinet and the Corporate Leadership Team (CLT), although there is still room for improvement. Staff engagement has improved, as has trust in the Council's leadership as evidenced by a recent update to the 2024 staff survey. The role of the MDC continues to be important to help cut through organisational inertness to strategic change.

The adverse change in this year's budget has impacted broader leadership confidence and motivation at a time when the Council needs to demonstrate a "step change" in the pace of improvement. The CLT is working with support to bring them together as a collegiate team with a common purpose and this remains work in progress. Similarly, the administration needs to do more to "speak with one voice". Effective joint working of the two leadership teams will give the Council the best chance of making progress at pace and responding to any future events the Council may face that could destabilise progress.

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Without a significant step change in its performance, the Council will not be able to achieve its best value duty and to build a sustainable financial future. It must urgently work to resolve its in year budget challenges and to identify future financial savings to produce a balanced Medium Term Financial Plan.

Financial situation

The Council continues to face complex and persistent financial challenges, largely due to systemic and legacy issues. Despite this, some progress has been made since the last commissioners' report. Whilst there remains much to do, the incremental improvements in financial management (systems, processes, and practice), is leading to better management information and transparent reporting.

The Internal Audit and Counter Fraud teams working collaboratively as one service, increasing visibility and targeted training, are focused on becoming an indispensable part of good governance within the Council. The internal audit plan is being delivered by focusing on risk priorities, with ongoing reviews to ensure it remains flexible and responsive. The Council is working to increase the implementation of internal and external audit recommendations and improve procurement compliance monitoring through leveraging data. These activities are adding more value and contributing to an improved control environment for the Council.

The 2024/25 financial year is scheduled to be the Council's first audit in six years and from a very low base of a traditional disclaimed 2018/19 audit opinion. Steps have been taken to improve systems and processes in the preparation of subsequent accounts, which have been backstop disclaimed. Therefore the risks of control weaknesses and material misstatements due to a lack of recent audits, potentially leading to financial and operational issues, remain. The Council will need to take steps to ensure data consistency and accuracy continues to be achieved, and sufficient resources are in place, to support the audit process and address the findings promptly.

The Council is facing significant financial difficulty. There are in-year budget pressures leading to destabilisation and stretched resources. This is primarily due to rising costs for essential services like social care, homelessness pressures which have intensified, and unexpected budget deficits from areas like special educational needs (SEND) exceeding Safety Valve agreement limits. The forecasted outturn, if unmitigated, will accumulate into a considerable front-loaded, medium term financial budget gap. Addressing these challenges will require both political and officer determination.

The Council has been pointed towards enhanced spending controls, developing a programme of savings similar to those that other councils have achieved, and proactively engaging in the development of transformation proposals that could be accelerated. It is recognised that spending controls cannot be considered the norm as they remove leadership accountability and should be lifted at the earliest opportunity.

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The combination of diminishing reserves, lower capital receipts from asset sales, rising debt servicing costs and the need to fund essential services, puts a substantial strain on the Council's finances. In acknowledging the risks ahead, the Council will need to innovate at pace and make difficult decisions about changes to services, to remain financially sustainable both in year and beyond, as set out in the Medium Term Financial Strategy. A consistent culture of accountability and delivery will be essential, and transitioning of mindset from one of budget growth to efficiencies will be fundamental in addressing issues as they emerge.

The Council as a small unitary authority cannot fully address the scale of its challenges with current core funding alone. A credible transformation plan, along with possible future local government funding reforms, offers a potential path towards a return to balance, but new and innovative strategies will need to be developed to manage long-term risks and rebuild financial sustainability and resilience.

Leadership and Culture

Progress towards a strong leadership drive for improvement in Slough has been slower than required. The managerial leadership is substantially permanent and in place, although a new interim Executive Director of Corporate Resources (S151) has joined recently. However, continued financial challenges, combined with individual service issues, have led to uncertainty that has distracted CLT and in turn reduced its focus on strategic change.

More concerted endeavour over transformation, budget preparation and greater inter-directorate collaboration will be signs that the Council's investment in support and team development is having the desired impact. Joint working between CLT and the Cabinet is improving, albeit from a low base. This has assisted in creating more understanding of the work needed on, for example, temporary accommodation, the budget and some environmental priority areas.

Those directorates under the severest financial pressure have been the focus of much of the Council's transformation work to date. It is important that this results in a final transformation plan that puts as much emphasis on alleviating the budgetary position as improving performance. Third party support was commissioned to work alongside the Council to develop a TOM and set out financial opportunities. The Council must now build on this work in order to deliver a credible transformation plan. Given the financial circumstances, this is taking too long.

The broader culture of the organisation has taken some steps forward, as reflected in the staff survey. The workforce plan is now in place, and alongside the improved record on appraisals and an enhanced performance framework, the Council is now targeting better performance on 121s. Whilst staff turnover has now improved to near the sector-average level, a consistent high-performance culture is not yet in place.

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The autumn 2024 full staff survey represented a significant improvement when compared with summer 2023, and this more positive picture has been sustained. Some 60% of staff responding to the 2025 temperature check agreed that senior staff are visible and approachable, and a similar proportion agreed that they are provided with frequent feedback on how to develop and improve. The Council's focus on leadership, management and staff training echoes the high priority attached to this by staff, with sign up and feedback for the training programmes continuing to be good.

The Council's investment in resident engagement is paying dividends. The 2025 resident survey showed significant improvement on the position in 2023 on every indicator. Trust in the Council, previously recorded at a third of the national level, is now in line with what is seen nationally. Perceptions of value for money, acting on residents' concerns and overall satisfaction have all risen substantially between 2023 and 2025.

There are some good examples of services interacting productively with residents, such as in Adult Social Care (ASC) as identified in the Care Quality Commission's inspection of the ASC service, and in the Council's focus on fly tipping. However, there is scope across the Council for improved resident communication and engagement.

Governance

In Commissioners' 6th report, we reported some progress in the effectiveness of council committees, but that they remained over-reliant on a relatively small number of active members, and the need for increasing member engagement with training and development. These are still to be fully addressed. Members are showing an appetite for increased scrutiny. It is important that members take a collaborative approach to this, working with Democratic Services to develop a programme that gives sufficient oversight and is deliverable within the available officer and member capacity.

Transformation

Since the beginning of the intervention, the Council has focussed its efforts on re-building an effective corporate infrastructure and addressing serious service failures in many of its functions. Whilst this work continues and there is more to do, it is also critical that the Council defines and delivers a transformation plan that results in modern, cost-effective services. There has been investment in transformation resources, although progress in building a credible transformation plan has been far too slow. It is vital that transformational leadership is enhanced and that the CLT, working closely with the Administration, collectively prioritise this work and are jointly accountable for its delivery.

Whole council transformation is a major undertaking and apart from strong leadership and organisational capacity, it will require robust governance arrangements to ensure strategic focus and delivery.

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Implementing a successful transformation programme that delivers both service improvement and financial savings, will contribute significantly to the Council achieving its best value duty.

Historically, Slough has had a strong record of economic growth, as exemplified by the Slough Trading Estate. There are a very high number of data centres located in the borough which provide a major opportunity for the country as demand for data capacity will increase. The planned expansion of Heathrow Airport and strategic transport corridors, combined with the opportunity for transformational housing growth, are both strategic opportunities for Slough.

To ensure that the residents of Slough feel the maximum benefits from these opportunities, a transformed Council, capable of delivering good services cost effectively will be essential.

Conclusion

The pace of change continues to be a cause for concern, and it is difficult to see how the Council will achieve Best Value by November 2026 without a step change in overall performance.

Over the period of the intervention there have been improvements in the performance of the organisation, albeit from a very low base. However, the in year financial movement has proven that the Council's resilience when such changes occur is very limited. The most recent financial shock resulted in a period of organisational paralysis where action to respond to the emerging financial challenge was not forthcoming. Building resilience in an organisation to withstand these shocks is an essential component of recovery. Apart from having reasonable financial reserves to help manage financial challenges, resilience comes from the Council leadership's ability to work together to ensure an appropriate and timely response. Both CLT and the Cabinet should continue self-development activity so that they are as good as they can be, and able to provide the collegiate and responsive leadership needed to drive improvement and change at pace.

The MDC has made a significant difference to the stability and focus of the organisation. The step change needed from the Council is acute and the MDC role moving forward is pivotal to helping the Council make the required change at pace and cutting through barriers to progress.

The degree to which Commissioners can recommend to the Minister whether the intervention can end in November 2026, will be influenced by the level of significant progress towards:

- A strong, stable and effective corporate officer leadership team working collaboratively and at pace with the Council's administration

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- An MTFFS that demonstrates how the Council will balance its future budget, with appropriate levels of reserves to withstand financial shocks and a credible debt repayment strategy
- A transformation programme that demonstrably contributes to delivering a sustainable Council in the future
- Improving and sustainable service delivery with some services delivering a good standard and others moving in the right direction
- Effective governance arrangements across the Council that ensure transparency and accountability.

Commissioners will update on progress in these matters in our report in April 2026.

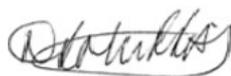
Yours sincerely,



Gavin Jones, Lead Commissioner



Will Tuckley, Managing Director
Commissioner



Denise Murray, Finance Commissioner