

Slough Borough Council Best Value Commissioners

DATE: 09.09.2024

Best Value Intervention – Slough Borough Council

Dear Minister,

In April 2024, commissioners wrote their fifth report providing an assessment of progress at Slough Borough Council. We are now writing to provide our latest view on progress, key risks and recommendations since April. This is in the context of the intervention and current directions being due to expire at the end of November this year.

How have we assessed progress to date?

Commissioners' assessment of progress in April was against the directions in place and each of the themes covered in MHCLG's Best Value Guidance. These are continuous improvement, leadership, governance, culture, use of resources, service delivery and partnerships. We recognise that there had been some progress albeit from a very low baseline. Throughout much of the intervention there have been issues with the quality and consistency of senior officer leadership (although this has improved recently following a large recruitment exercise) and this has hindered progress. Combined with limited resource capacity across the organisation, we concluded that the Council was not meeting its Best Value duty and recommended a two-year extension, to allow for measurable progress and clarity on the Council's future. At the time of the fifth report, we were and continue to be, concerned about the degree of historic volatility in the financial position and lack of pace in designing and implementing a new sustainable operating model as well as broader concerns in several other areas including culture, governance and service delivery.

Current position

Since we last reported there have been encouraging signs of improvement to organisational leadership. Under the guidance of a new experienced interim Chief Executive and enhanced Corporate Leadership Team, has come a sense of commitment to driving change, openness, and transparency. The Corporate Leadership team are showing signs of working more collegiately and are developing a more strategic approach to improvement. Staff are feeling more confident in their leaders, but the situation will remain volatile for some time with organisational capacity and resilience remaining a significant issue across the board and no clear workforce plan yet in place. Recruitment of several remaining key positions is underway including a permanent Executive Director of Resources (Section 151 officer) and a new Director of Adult Services. The Council is in no overall control. The Conservatives provide the leader and the cabinet, relying on the support of the three Liberal Democrat councillors to do so. Political leadership is generally providing a more positive environment for officers to work, but the political situation at Slough remains very fragile. There is scope for development in terms of officer and member engagement to drive a more strategic approach to place and recovery. There has been a change in the number of groups and movement between the groups.

In terms of the financial situation, the council with its strategic partners, is undertaking a balance sheet review which is providing greater assurance on historic accounts. However, this is yet to be finalised and there is some degree of risk as the final years of outstanding accounts are produced and subject to audit. The discovery phase has given more clarity to where contingent risks are, and

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as a result, the future financial position has become more serious. There remains a budget gap within the medium-term financial strategy, which relates to ongoing service demand and lack of progress on transformation and a high level of external borrowing, indicating that exceptional financial support will continue to be required. A cornerstone of the Council's debt recovery strategy is the asset disposal plan, and whilst there has been some progress, a combination of market conditions and impairments make this challenging. This has meant that the original target is unlikely to be achieved increasing the risk of ongoing financial sustainability.

Steps have been taken to develop initial thinking on a future operating model, but further work is needed to bring this into a coherent model that aligns with the medium-term financial strategy and with a robust transformation plan. Delivering wholesale organisational transformation is notoriously difficult. Slough's challenging financial position and limited pool of staffing resources heightens the risk that they will struggle to design and deliver a new model in the short to medium term. The council with engagement with commissioners should investigate the possibility of an engagement partner to assist with this work.

Our view on culture, governance, service delivery and partnerships has not significantly changed and can be seen in more detail in our fifth report.

The Department for Education maintains its intervention in Childrens Services and escalated its intervention in Special Educational Needs in Summer 2023. On 21 May 2024, the previous Minister for Children, Families and Wellbeing wrote to the Council noting the improving delivery of Childrens' Social Care service that had taken place with the Council's aspirations to be 'good' over the next twelve months.

Pace of progress

The scale and uncertainty of financial issues, combined with historic organisational and political leadership challenges have hindered pace. Momentum for change will continue to be hampered by financial constraints within the Council. This situation continues to challenge the resilience of Members and officers tasked with leading the recovery.

What are the key risks we identify?

There remain several significant risks:

- **Finance/assets.** The Council needs to demonstrate that it can become sustainable and resilient without exceptional financial support. This means living within its means, driving down costs, reducing debt and delivering the required asset disposal target, which is proving challenging.
- **TOM.** The operating model will need to demonstrate that Slough is financially viable and is able to meet its statutory obligations.
- **Organisational resilience, capacity and capability.** Capacity and capability across the organisation remain a significant challenge and may make it difficult to achieve the momentum needed on transformation. Current service delivery quality is at best mixed and is not at the standard that is expected, which is a legacy of previous structural changes.
- **Political/ Member development.** The Council remains in no overall control and there is a notable risk of political instability with changes to groups and movement between them. This is distracting to the Council.

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- **Service delivery.** Service standards are variable. Data gathering is inconsistent, and data and evidence are not systematically used. There is not yet a clear strategy to capitalise on advances in information technology.

Forward view

More recently there has been progress in terms of organisational leadership, which if sustained will provide for more optimism in terms of recovery. The volume of effort required to sustain improvements will test the resilience of individuals and the Council will need to be mindful of the wellbeing of its leaders and staff.

The financial situation continues to be of considerable concern, which highlights the criticality of a new operating model and resourced transformation plan. These are needed to demonstrate that the Council can recover and live within its means. This is a challenging task for any local authority, but for Slough, creating the capacity and capability to detail its new operating model will take some time and will most probably be described in clearly set out phases. The council should give some thought to securing a transformation partner to assist them with this work.

The volatility in the Council's political groups is concerning and it will be very important that the various political groups can manage their differences and work collectively in the interests of the Council and its residents.

Key recommendations

While there has been a step up in organisational leadership with renewed energy to drive change and positive action taken to develop a future operating model, significant risk remains within the Council, and it is not yet clear that it will be able to live within its financial means. Our recommendations set out in the fifth report therefore remain. We are recommending a two-year extension of the intervention from November, along with a revised set of directions to support the next phase of the Council's improvement journey. In the fifth report, we also recommended moving towards a model that more closely aligns organisational leadership with the work of commissioners. A model of this nature will help to provide the clarity of vision and strong momentum that is needed at this pivotal point and in the context of continued risks to political stability.

Yours sincerely,



Gavin Jones, Lead Commissioner



Denise Murray, FCCA, Finance Commissioner



Ged Curran, Commissioner