



Ministry of Housing,
Communities &
Local Government

Max Soule
*Deputy Director, Local
Government Stewardship &
Interventions*

**Ministry of Housing,
Communities and Local
Government**

Fry Building, 2 Marsham
Street
London SW1P 4DF

www.gov.uk/mhclg

Will Tuckley
[By email]

22 October 2024

Dear Will,

I am writing to inform you that the Secretary of State is minded to issue new Directions in relation to the ongoing intervention at your Council, and to provide your Council with the opportunity to make representations about the Commissioners' fifth report, their update letter, and the proposed Directions by Monday 4 November.

The Commissioners wrote to the previous government on 30 April with their fifth report ("the Report"). The Report provides an assessment of the Council's delivery of their Best Value Duty, the time necessary to deliver that Duty, and whether the current directions are sufficient. On 9 September Commissioners provided a further letter ("Update letter"), updating on progress since April.

The Report and Update letter are clear that the Council still requires substantial improvement before it can demonstrate it is meeting its Best Value Duty and would benefit from continued support. While some progress has been made since the start of the intervention, there are still a substantial number of areas which require further improvement, there remains volatility in the Council's financial position, and there is not yet a Target Operating Model that aligns with the medium-term financial outlook. A robust and resourced transformation plan that aligns to the Target Operating Model is needed to drive change, which must be underpinned by strong leadership and a comprehensive workforce strategy to foster and embed cultural change. Further improvements still need to be secured relating to risk management, governance, including the scrutiny function and audit committee, evidence-based decision making and partnership working including resident engagement. Separately, the progress in children's social care and SEND services under Department for Education intervention has been noted.

The Deputy Prime Minister and Minister of State for Local Government and English Devolution are committed to resetting the relationship between local and central government and are keen to work with local authorities in partnership to support their focus on recovery and reform. Having considered carefully the findings and evidence presented in the Report and Update letter, the Minister has concluded that the Council

is not meeting its Best Value Duty and that issuing new directions will provide your Council with ongoing government support via Commissioners to continue to assist the Council to design, implement and embed the necessary changes and improvements. Accordingly, they are minded to exercise their powers under section 15 of the Local Government Act 1999 ("the 1999 Act") to issue new Directions, which set a new end date for the intervention of 30 November 2026 and require the Council to take actions that are consistent with both the existing Directions and the priorities the Commissioners have set for the Council.

Your Authority is now invited to make such representations as it wishes about the Report and the Secretary of State's proposal to issue Directions to your Authority under section 15(5) and (6) of the 1999 Act as are set out in the Annex. All such representations should be sent by email to interventions@communities.gov.uk or in hard copy to the address above marked for my attention, to be received on or before Monday 4 November 2024. They will then be carefully considered by Ministers before a final decision is taken and announced.

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

Yours sincerely,

Max Soule

Deputy Director, Local Government Stewardship and Interventions

PROPOSED INTERVENTION PACKAGE

ACTION THE AUTHORITY IS REQUIRED TO TAKE

In this Annex, the following expressions have the following meanings –

“the Authority” includes the Leader, the Cabinet, members of the Cabinet, any committee or subcommittee of the executive, any committee or subcommittee of the Council, any officer of the Council or any other person who has responsibility for exercising the function or other decision making in relation to the matter in question.

The actions to be taken by the Authority are:

1. Prepare, agree and implement an Improvement and Recovery Plan to the satisfaction of the Commissioners, with resource allocated accordingly. This may include or draw upon improvement or action plans prepared before the date of these Directions. The plan is to set out measures to be undertaken, together with milestones and delivery targets against which to measure performance, in order to deliver rapid and sustainable improvements in governance, finance and commercial functions, thereby securing compliance with the best value duty. There must be a focus on deliverable milestones within six months and the Plan should include at a minimum:
 - a) A new Target Operating Model (TOM) that enables both financial stability and the delivery of core services and priorities.
 - b) A refreshed rolling Medium-Term Financial Strategy, Capital Strategy, and Treasury Management Strategy, aligned with the new TOM and Transformation Plan that demonstrates the Authority’s financial sustainability and resilience over the period of the strategies.
 - c) A review of the Authority against the CIPFA Financial Management Code to demonstrate its compliance, with recommendations to Commissioners to improve this activity within the first six months and implementation of improvements thereafter.
 - d) A high-performance culture programme to rebuild trust between staff and the Authority, to include the development of a comprehensive workforce strategy focused on development, retention, and permanent recruitment.
 - e) A review of the Authority’s progress to risk maturity and how well its functions and processes enable risk-aware decisions that support the achievement of strategic objectives.
 - f) Re-examining the review by the Authority of their companies that considered the roles and case for continuing with each subsidiary company of the Authority (except Slough Children First), to make proposals in relation to financial viability and improving company governance.
 - g) Improving the systems and processes to enable better and evidence-based decision making, including enhancing the data and insight functions, undertaking benchmarking.
 - h) An appropriately resourced digital strategy that supports effective business operations and links to the Authority’s future operating model.

- i) Improving resident and public engagement.
2. To secure as soon as practicable that all the Authority's functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Slough, focussing in the first six months on an effective internal audit function, with organisational independence, objectivity, separate administrative reporting and a strong functional reporting relationship to the Audit and Corporate Governance Committee, and a review of the action plan for the scrutiny function and Audit and Corporate Governance Committee to accelerate any improvements required in these areas.
3. To report to the Commissioners regularly, as directed by the Commissioners, on the delivery of the Improvement and Recovery Plan and Transformation Plan, and adopt any recommendations of the Commissioners with respect to these.
4. 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.
5. To provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions.
6. To allow the Commissioners at all reasonable times, such access as appears to the Commissioners to be necessary:
 - a) to any premises of the Authority;
 - b) to any document relating to the Authority: and
 - c) to any employee or member of the Authority.
7. To pay the Commissioners' reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
8. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request.
9. To co-operate with the Secretary of State for Housing, Communities and Local Government in relation to implementing the terms of these Directions.

FUNCTIONS OF THE AUTHORITY TO BE EXERCISED BY THE COMMISSIONERS

In this Annex –

“statutory officer” means any of: the head of paid service designated under section 4(1) of the Local Government and Housing Act 1989; the chief financial officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the monitoring officer designated under section 5(1) of the Local Government and Housing Act 1989; and the scrutiny officer designated under section 9FB of the Local Government Act 2000 (and the expressions “statutory officer” and “statutory office” are to be construed accordingly); and

“the Authority” includes the Leader, Cabinet Members, any committee or subcommittee; and any other person who has responsibility for the matter in question.

“senior positions” are defined as direct reports to the Chief Executive and their direct reports, and their Group Managers – tiers one, two and three.

The Commissioners shall exercise:

1. All functions associated with the governance and scrutiny of strategic decision making by the Authority.
2. All functions associated with the financial governance and scrutiny of strategic financial decision making by the Authority.
3. The requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Authority’s financial affairs, and all functions associated with the strategic financial management of the Authority, to include:
 - a. providing advice and challenge to the Authority on the preparation and implementation of a detailed plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS) including a robust multi-year savings plan;
 - b. providing advice and challenge to the Authority in the setting of annual budgets and a robust medium term financial strategy for the Authority, including strictly limiting future borrowing and capital spending;
 - c. scrutiny of all in-year amendments to annual budgets;
 - d. the power to propose amendments to budgets where Commissioners consider that those budgets constitute a risk to the Authority’s ability to fulfil its best value duty;
 - e. providing advice and challenge to the Authority on the preparation of sustainable and affordable capital, investment and treasury management strategies, including on any requirement for an appropriate debt reduction plan or for any revisions to the Authority’s minimum revenue provision policy (MRP);

- f. providing advice and challenge to the Authority of a suitable scheme of delegations for financial decision-making; and
 - g. ensuring compliance with all relevant rules and guidelines relating to the financial management of the Authority.
- 4. All 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, to include:
 - a. the functions of designating a person as a statutory officer and removing a person from a statutory office; and
 - b. the functions under section 112 of the Local Government Act 1972 of –
 - i. appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and
 - ii. dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.
- 5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions.
- 6. All functions relating to the appointment and dismissal of persons to positions of directors of council companies (except Slough Children First).
- 7. All functions associated with the Authority's operating model and redesign of services to achieve value for money and financial sustainability.
- 8. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions.