



Thurrock Council Commissioners

Thurrock Council, Civic Offices, New Road, Grays, Essex RM17 6SL
commissioners@thurrock.gov.uk

Deputy Prime Minister and Minister of State
Ministry of Housing, Communities & Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

29 November 2024

Dear Deputy Prime Minister and Minister of State,

We would like to express a warm welcome to you in your roles and hope you have enjoyed your time at MHCLG so far. We are looking forward to working with you further over the coming months on the intervention at Thurrock Council.

As we have now entered the third year since the intervention at Thurrock Council began, we are writing to provide you with an overview and update on the Council's progress, since our last report dated 22 January 2024.

As the Best Value statutory guidance has now been published, we have structured this report to review progress against each of the seven Best Value themes in the guidance. Appendix 1 also provides an assessment of the Council's progress against the Directions.

Executive summary

The past ten months have been a significant period of change for the Council, with the local elections resulting in a new administration and a cohort of new officers having started across the top tiers. We have been pleased to see that these changes have brought about an increased pace of improvement activity across the Council, particularly in terms of the outputs and deliverables being produced. This includes, for example, the publication of a Corporate Plan and an agreed Risk Management strategy.

We are optimistic about the Council's progress to date but looking ahead over the next year and with the all-out elections in May, we require further evidence that these outputs will bring about the necessary cultural and behaviour change that we expect to see from both Members and officers across the organisation. It is vital that any improvements are embedded enough to withhold any changes to either the political or managerial leadership. However, at this point, we can see the legacy of the learned behaviour and cultures referenced in the Best Value Inspection (BVI) report affecting the wider working of the Council. We would urge the Council to focus on strengthening its collective leadership, both politically and organisationally, increased collaboration and improved communications between directorates and embedding a one council approach to performance and policy.

Due to the uncertain outcome of the elections, collective and cross-party responsibility and robust political and managerial leadership is crucial to ensuring the Council remains focused on its improvement journey during this potentially volatile period. We urge all members to stay focused on the Council's recovery and to not let the all-out elections distract from making necessary difficult decisions on its pathway to improvement and to achieve financial sustainability.

Gavin Jones, Lead Commissioner
Dr Dave Smith, Chief Executive and Managing Director Commissioner
Nicole Wood, Finance Commissioner

Thurrock Council should be proud of its journey so far, however the scale of the financial challenge that the Council still faces and the work still to do should not be underestimated.

Leadership

Since our previous report, the Council had its final election by thirds, before it moves to a system of Whole Council Elections from May 2025. The local elections in May resulted in a change to the Council's political leadership, with a majority Labour administration now in place led by Cllr John Kent. To date, the new administration has demonstrated that it remains focused on delivering the Council's improvement plans and we have seen examples of portfolio holders engaging well with officers to implement the necessary action plans within their areas of responsibility. Our conversations with the leadership have demonstrated that there is self-awareness about the Council's current position on its improvement journey, an acknowledgment of the work still to do and an understanding that, as leaders, they need to own this agenda and drive it forward across the wider organisation.

As with many new teams, it can take time for a new group to become collegiate, cohesive and more than the sum of its parts. In Thurrock, we believe there is more work to do to strengthen the collective leadership of both the new Cabinet and the new Senior Leadership Team (SLT) through, for example, team coaching. Work started on this with SLT earlier this year and it is making a demonstrable difference; we are also liaising with the Local Government Association (LGA) on supporting Cabinet with this. As senior leaders, it is vital that both groups work effectively as teams, communicating regularly and clearly, resolving issues collaboratively and displaying a cohesive, united front in the face of difficult or contentious decisions. It is also important that Cabinet and leadership across all political groups take the opportunity to learn from good leadership in other councils and from the learning opportunities within the LGA.

All 49 members play a role in the Council's recovery, yet we have some concerns about the lack of visibility and engagement from the opposition in recent months. Recovery must be cross-party to be sustainable, but we are not currently seeing sufficient evidence of the administration being held to account by opposition members, particularly in recent Cabinet meetings. This scrutiny from opposition members is particularly important at this point while the new Overview and Scrutiny arrangements are finding their feet in their first year. We have had good engagement with the leader of each political group and we continue to work closely with them to reinforce the message that the intervention must remain a key priority for all members and that they must not withdraw or lose focus.

We are also working with the LGA, particularly through their peer mentor programme, to provide support, guidance and challenge to group leaders to foster strong cross-party relationships within and between groups. A comprehensive programme of Member training and induction is also being developed to support both new and returning councillors elected in May, given there may be an increase in newer, less experienced members as a result of the all-outs.

There is strengthened corporate capacity and capability at the senior levels through the new cohort of senior officers within of the top three tiers of the organisation. Executive Director and Assistant Director (AD) roles have been filled with individuals with the skills, experience and passion to drive improvement, but we are concerned that some senior positions remain filled by interims or non-permanent staff.

The Managing Director Commissioner (MDC) model has been a success to date in Thurrock, helping to provide the leadership, strategic direction and internal challenge to members and officers needed drive forward the pace of change in the Council. The MDC

model has helped to build the trust between members, officers and the wider Commissioner team, and has been a key component of supporting and empowering the Council to make the necessary difficult decisions and own its recovery. The MDC's appointment is due to end in March 2025, just two months before the all-out elections take place. Although a significant milestone, the unknown outcome of these all-out elections could bring about political instability, as well as an increase in new or inexperienced members. Both pose risks to the pace of change. A change to the MDC/Chief Executive in the lead up to the election adds a further layer of instability and could prove a distraction for both members and officers in this already volatile period. We strongly recommend therefore that the MDC's appointment should be extended until after the elections to mitigate these risks. A six-month extension to September would align this to the same timetable as the appointments for the rest of the Commissioner team. Once the outcome of the elections is clear, the Council will also have a better understanding of the skills and style required from a permanent Chief Executive in Thurrock at that point in their improvement journey. In the short term, the MDC, as they are not solely accountable to the Council, will be able to more easily navigate and deal with any political uncertainty or political tensions in the lead up to, and following, the election to ensure the Council remains focused on its recovery.

We would welcome a conversation with you and your officials to discuss the specifics of this in more detail, including how this would impact the model of intervention in Thurrock as we look towards the end of the period of the Directions.

Use of resources / Financial Sustainability

The Council has made substantial progress since our last report in January on improving its financial position. Senior capacity within the finance team has improved, with new Assistant Directors now in place. The Section 151 Officer's direct, collaborative and clear approach has changed the dialogue around financial management within the organisation and we welcome the news that they have agreed to stay in post for a fixed term for three years. This will provide the leadership, stability and corporate memory needed in this essential statutory role at this stage in the intervention. The next step needs to be a concerted drive to fill vacant finance capacity, with 16 FTE still to be recruited to, particularly in key technical areas.

Since the intervention began in September 2022, Thurrock has been in an intense period of diagnosis and discovery. There was a very low base with basic capabilities and process missing, and it will continue to take time to embed good practice. In areas such as financial management within the services, this discovery phase has not yet ended. As new officers start, they interrogate and improve the existing internal processes and cultures and in doing so, discover new areas where further scrutiny is required. We feel encouraged by the work the Council is doing to assure itself of its financial management systems through strengthening its budget monitoring processes, as well as completing detailed reviews of its MTFS model ahead of the next Budget. Some financial capabilities and processes are less mature such as debt and treasury management; these will require further attention as permanent capacity embeds. We continue to monitor this closely.

Since our last report, Full Council agreed to pass the 2024/25 Budget on 28 February 2024. The administration is now facing more difficult financial decisions as they prepare for next year's Budget. The Council has so far demonstrated both grip and leadership in its efforts to achieve its ambitious savings target of £18.2m for 25/26. At the time of writing, the Council is close to reaching this target, and is committed to achieve this. Appropriate scrutiny engagement has taken place ahead of the budget. We hope to see this collaborative

pragmatic approach continuing in the coming months and continue to highlight the need for members to remain focused and not become distracted by the looming elections.

The savings identified for 2025/26 are also generally not transformational, rather driven by efficiencies at individual Directorates. This provides good opportunity for further transformational savings in future years as the Council implements its operating model and reviews its commissioning intent.

Since our last report in January, the sale of primarily Toucan (solar farm assets) and CCLA (property) has had a major impact on the Council's financial position, its debt exposure and its future borrowing requirements. Through the Council's divestment strategy, they have recovered £650m total, with £585m of this recovered since September 2023. The Council also continues to make progress on its property asset disposal programme. There is a residual portfolio of smaller value 'tail investments' which form the next part of divestment. Alongside this, the Council is pursuing litigation where appropriate, proportional and based on legal advice on the merits and risks of a potential claim. We will provide you with an update on the latest developments on this activity separately. We are awaiting on an update from the Financial Reporting Council who launched an investigation in January 2024, with the probe specifically looking at "Thurrock Council's operations and investment activities for the financial years ended 31 March 2018 to 31 March 2022" and the conduct of a member of a regulatory body. The Council also recently almost unanimously voted in favour of a motion calling for an independent public inquiry into their financial situation and has written to you separately on this matter.

An outstanding area where we would want to see more progress is around the statement of accounts. Since the intervention began, we have not had an opinion from auditors on the Council's accounts and are awaiting opinions on all accounts since 2020/21. The Council is taking steps to prepare for the new backstop date of 13 December 2024, but this remains an area where we will want to see further movement for assurance on the Council's financial position.

Whilst good progress has been made on the financial levers within Thurrock Council's control, it will not be able to achieve sustainability without Government support, which has been a consistent position since early in the intervention. The Council is demonstrating that it is taking its responsibility seriously by reducing its debt, selling assets, and make significant savings throughout its operations. More work is required to build a multi-year budget and transformation plan. However, given the scale of the deficit remains significant by March 2029, it is not possible for Thurrock to achieve financial sustainability without further government support. We will continue to work with government to explore further options to support Thurrock towards long-term sustainability.

As we look to the end of the period of intervention in September 2025, it is our view that some form of external involvement and oversight will be required until the pathway to financial sustainability is settled and financial good practice embedded. We will work with your officials to consider the most appropriate model.

Governance

Since our last report, a significant step forward for the Council has been the conclusion of the Governance Review. The outcome and priority actions identified in this work, led by the Monitoring Officer, has created a clear, comprehensive action plan to strengthen the authority's governance function, as outlined in the Directions. A previously disconnected series of improvement activity has now been brought together into holistic package, underpinned by a strategic vision for the council's governance.

The approach to the Constitution Review has been refreshed and streamlined, and as a result, activity has moved more quickly than before. It is vital that this work continues at pace to meet the fast-approaching deadline ahead of the elections, but we have concerns about senior officers' capacity to achieve this alongside their other activities. We will continue to monitor progress closely.

The Council also continues to improve the processes around formal decision-making, although inevitable teething problems are being worked through. Alongside the revised Constitution clarifying roles and responsibilities, the Council has introduced a phased roll out of an improved online system for producing reports, facilitating forward planning and strategic decision-making. We have started to see an improvement in the quality of reports since the intervention began but welcome further work on this through the introduction of standardised templates for Cabinet reports, to ensure consistency in style and content, and a new training programme on report writing.

The new Overview and Scrutiny Committee arrangements have now been operational for several months. It is early in the new process but there are positive signs of progress. Further training and guidance will assist to help Chairs and Members develop a deeper understanding of their roles and responsibilities as committee members. The Council will need to closely evaluate these new arrangements and ensure it reflects on the lessons learned from this first year ahead of the next municipal year to ensure that proportionate processes and systems are in place and these are underpinned by the right behaviours and culture of committee members.

While there is still work to be done to make effective risk management part of business-as-usual for the Council, there has already been a shift in awareness of risk. The Council's action plan on risk management addresses the recommendations outlined in the BVI report and key steps within this plan have already been implemented. Risk implications are now clearly outlined within Cabinet reports, the Cabinet have now agreed a Risk Management Strategy for 2024-2027 and training for Members and officers is being arranged to ensure they understand their responsibilities around risk. A key next step is the development of a Corporate Risk Register. The Council has strengthened its resource across the system of internal controls, notably through the recruitment of a new Head of Financial Assurance, Internal Audit, Risk and Insurance, although capacity challenges remain, given the volume of work to be done. Ensuring the system of internal controls is robust and sufficiently resourced is an area we will continue to monitor as a priority.

Since our last report was published, we have had some concerns about the governance arrangements for the Thames Freeport. Negotiations on governance and establishing the related necessary legal agreements were proving challenging and slow moving. The Council, as the Accountable Body, has in recent months made the necessary progress in establishing appropriate agreements to institute effective governance with partners, but work is ongoing to ratify these into legally binding agreements. We expect this to have been resolved by the time we submit our next report.

The Council is also delivering a number of major projects, including some funded and supported by your department. Thurrock's previous challenges with delivering major projects were highlighted in the BVI report, and so we will be keeping a close watch on progress, in relation to issues raised around governance arrangements, capacity and capability of staff, transparency and accountability, and delays to the timetable.

Culture

The Staff Survey for officers took place over the spring. There was good engagement from officers and the Council is currently in the process of disseminating and discussing the results with teams to develop a comprehensive action plan in light of the findings. The results demonstrate that staff are passionate about their work but want more open and honest internal communications, greater clarity on direction and an increased visibility of senior leaders.

The Council had already been working on these areas as a priority, and recently achieved a significant milestone through the publication of its new Corporate Plan. This newly developed Corporate Plan, agreed over the summer, provides the much-needed vision and strategic direction for the organisation that had previously been lacking. It also plays a key role in outlining not only what the Council plans to do, but how it intends to deliver, through clearly defined behaviours and values.

We have also started to see a shift in internal communications with staff, through the recent reintroduction of a successful staff awards event, recognising and celebrating the work of officers across the council and the launch of the 'A Fresh Start for Thurrock' communications campaign.

Relationships between Members and officers are steady, with portfolio holders engaging well with relevant officers on their areas of responsibility. However, as noted in our previous report, there are still examples where a limited number of Members have not treated officers and their decisions, or their fellow Members, with the respect and courtesy that we would expect to see within a professional organisation. This cannot be tolerated and needs to change. Professionalism from Members needs to be demonstrated not only within the Council Chamber, but also should extend to their activity online on social media. The Council has been addressing this through support, training and guidance, through swift action through strengthened internal conduct processes and through a renewed emphasis on standards and conduct following the Governance Review. However, this has meant that dealing with Member conduct issues continues to take up a significant amount of certain senior officers' time. There is also an increased risk that party-political tensions are heightened in the run up to the local elections, impacting the work of the Council. To mitigate this, meetings between Group Leaders and officers, and Group Whips and Officers have been established to address and resolve emerging issues. While politics is part and parcel of a democratic institution, we continue to press Group Leaders that all Members must demonstrate the right behaviours and have professional, civil working relationships with officers and Members across all parties.

Service delivery

The development of the Council's Corporate Plan is a huge step forward in terms of the Council clearly expressing its vision as an organisation and its next steps as it transforms its way of working. We recognise that the Council's new operating model will take some time to be implemented, however, in our next report, we will want to see evidence that further progress has been made in driving this work forward and that this is underpinned by a wider understanding and collective accountability from senior leaders for the actions that must be taken to deliver this.

As a commissioner team, we are looking for evidence of substantial progress in the embedding of a one council approach to performance and policy, and evidence of progress in the integration and automation of both the corporate core functions and customer services. This work has started but it is vital that the Council maintain momentum on this and

also effectively communicate these changes to staff and residents to ensure they understand the changes being made and are able to follow the Council on its journey.

Last month, Thurrock were graded “outstanding” across all areas in their recent Ofsted inspection of their Children’s services. Although the BVI Report recognised that Children’s services were an area in which the Council was performing well, having been rated “good” in 2019, this is a significant achievement for the Council. It is an example of where the political and corporate leadership have been working together effectively and with their strategic partners to deliver high quality services for residents. The learning and good practice from this service, and from other high performing services in the Council, should be shared and where possible integrated across the wider council, as part of Thurrock’s wider efforts to bring together and transform its services and ways of working, to create a more collaborative, cohesive organisation and move away from the siloed-based ways of working referenced in the BVI report.

As required by the IRP, the Council is currently developing its Performance Management and Assurance Framework (PMAF) to report on the Council’s performance and track its impact. This openness and transparency around the Council’s performance through the development of the PMAF is a significant step forward for the Council. The way in which the Council uses this information, once it is established, will be a key indicator for us in assessing whether the Council is meeting its Best Value Duty.

Partnerships and community engagement

The Council has started a programme of engagement with the local community, and initial conversations have shown the extent to which residents continue to feel bruised by the past and that there is still a significant level of distrust towards the Council. The previously insular Council has developed a new communications and engagement strategy to address this by providing opportunities for Members and officers to engage with the community, open a dialogue with residents and to start to rebuild this trust. The Cabinet and Senior Leadership Team have introduced a number of initiatives to open a direct dialogue with communities, demonstrating the Council’s willingness to listen to local people about their frustrations, be open and transparent with residents about their plans and hear directly from residents on the issues that matter most to them.

Building and strengthening local partnerships is a key element of the Council's new operating model as they implement new ways to deliver their services. This will take time as they transform how they operate. The key tests for us in this area, as demonstrated by the Thames Freeport work and other major projects, are how the Council responds when faced with external challenge from partners, and how it protects itself from risk when working with partners, for example through ensuring the necessary governance arrangements are in place. The way in which the Council participates in the ongoing devolution discussions with neighbouring authorities and with you and your officials will also provide evidence of the Council’s ability, capacity and willingness to collaborate and lead locally and regionally, looking beyond its boundaries where it identifies opportunities that can benefit local residents.

Continuous improvement

The Council has developed a set of success criteria and begun a process of reporting on these criteria to measure its progress against the 12 outcomes within its enhanced Improvement and Recovery Plan. The Council’s next report on the Improvement and

Recovery Plan will be going to Cabinet for discussion next month and reporting will take place each quarter. Alongside the PMAF, this report will be a key tool in understanding how the Council assesses and views its performance, its own improvement journey and the areas where it recognises and acknowledges that further work is required.

Conclusions

Since our last report in January, there has been substantial change to the organisational leadership in Thurrock, a new majority administration is in place and the pace of the improvement activity, particularly in terms of outputs, has increased. We recognise that some of the work the Council still has to do may take some time, notably the implementation of its new operating model and a shift within the organisation's culture. However, some of the barriers and delays to progress that we referenced in our previous report have now been addressed, for example, through the development of a cohesive communications and engagement strategy and the completion of the Governance Review, bringing together several separate strands of improvement activity. This is also particularly true of senior capacity and capability in key roles, for example for the S151 officer role, in the AD cohort and within the wider finance team.

An area that remains a priority for us, and was a key focus of the BVI report, is the stability and quality of the Council's leadership, both political and managerial. With the upcoming Whole Council Elections, robust collective leadership needs to be demonstrated by all parties and from all senior officers. Ownership and accountability for recovery must be Council-wide and spread across a much broader base than at the moment. To ensure there is stability of leadership and a continued focus on the pace of change throughout this volatile election period, we strongly recommend that the Managing Director Commissioner's appointment is extended beyond March 2025.

As we look ahead to the end of the period of the Directions in September 2025, Thurrock Council should be proud of its achievements to date, but the Council needs to remain focused to meet the targets it has set itself over the coming months in the run up to the Budget and ahead of the all-out elections. We will need to take a view on whether the Council is meeting its Best Value duty in our next report in the new year.

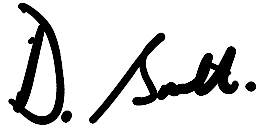
It is our current view that at this stage, we do not have evidence that the improvements we have seen are sufficiently sustainable or embedded across the wider organisation. Additionally, a substantial amount of improvement activity is due to be completed ahead of the all-out elections and the next municipal year. We expect that in some areas, for example around leadership and culture, these changes may take longer than the current timeline for the end of intervention. In our future reports, if we have sufficient assurance that the implemented or planned improvement activity will bring about this sustainable change, we may look to discuss with you the current model of intervention, including whether and at what point it may be appropriate to review the timeline, amend the Directions or hand back any Commissioner powers. However, until the position is clearer on long-term financial support, we anticipate that some form of external involvement will likely be required to provide oversight of the Council's financial position and support on its journey to financial sustainability.

We would be very happy to meet with you soon to discuss the intervention in Thurrock Council and to discuss any aspect of this report in more detail.

Yours sincerely,



Gavin Jones
Lead Commissioner



Dr Dave Smith
Managing Director Commissioner



Nicole Wood
Finance Commissioner

Appendix 1

Progress against Directions

September 2022 Directions

- a. **An action 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.**

The Council has made good progress on its plans to achieve financial sustainability, in large part due to the work of the new Section 151 officer and the new cohort of Assistant Directors within the finance team. The new finance leadership are challenging the organisation's systems and previous ways of working to build and embed the necessary foundations for sound financial management. While in some cases, this has uncovered further issues, the team have plans in place to address these findings through, for example, establishing new budget monitoring processes and reinforcing the expenditure panels, strengthening the Council's financial resource through recruitment and improving the capability of budget holders through regular training and engagement.

The Council are working through identifying the necessary £18.2m of savings for 25/26, having identified at least £17m of achievable savings to date, and are already thinking ahead to identify savings for subsequent years. The Council has made some difficult decisions to achieve this, and some initial reluctance from services to produce satisfactory proposals has dwindled following consistent reminders around the remaining scale of the challenge. However, while this is welcome for this year, we hope that the savings identified for future years are more transformational than the more tactical savings that have been identified to date.

The new administration has demonstrated a willingness to engage with these conversations and early indications suggest that they are willing to take the necessary difficult decisions on its road to financial sustainability, however, there is a risk that difficult decisions are delayed by the prospect of the upcoming Whole Council Elections or weakened by the administration not demonstrating strong sense of collective, unified leadership.

The Council is currently going through a comprehensive review of its MTFS model ahead of setting the 25/26 budget, to ensure its future planning and forecasting is based on an updated set of core assumptions.

- b. **An action plan to ensure the Authority's capital, investment and treasury management strategies are sustainable and affordable.**
- c. **A strict debt reduction plan, and an updated minimum revenue provision (MRP) policy in line with all relevant rules and guidelines.**

Debt reduction has remained a priority for the Council. Since our last report was published, the Council has been working through its divestment programme, having recovered over £650m from its investment portfolio to date. The most significant step forward for the Council's debt reduction plan was through the sale of both Toucan (solar farm assets) and CCLA (property).

The Council continues to progress its divestment programme alongside a programme of asset disposals. Options are being worked through to address how to navigate the latter part of these programme since the more politically or financially complex decisions for the Council are still to come in future years.

We do have some ongoing concerns around the capital programme due to the slippage outlined in Q2 and will continue to monitor this throughout the financial year.

- d. To ensure compliance with all relevant rules and guidelines relating to the financial management of the Authority.**
- e. A suitable scheme of delegations for financial decision-making.**

The Constitution Review is progressing well. The action plan outlines that this activity includes a review of the Officer Scheme of Delegation, a review of the Financial Procedure Rules and Contract Procedure Rules. It also makes clear that these and any other relevant parts of the Constitution around officer decision making will be considered together to ensure they align and work together effectively. We will monitor this closely through the relevant Recovery Boards and would want to see this work, once completed, disseminated to officers throughout the organisation to raise awareness of the regulations.

March 2023 Directions

- f. An action plan to reconfigure the Authority's services commensurate with the Authority's available financial resources.**
- g. A plan to ensure that the Authority has personnel with sufficient skills, capabilities and capacity to deliver the Improvement and Recovery Plan, within a robust officer structure.**

Following the restructure of the top three tiers, the new members of the Senior Leadership Team and cohort of Assistant Directors have settled into their roles and have brought a renewed vigour to the organisation. The Council knows that it needs to transform how it operates and the plans for implementing the new operating model are coming together, although this needs to be effectively communicated with the leadership, staff and residents. The Council had reached an impasse in taking the necessary steps towards progressing the operating model, due to some hesitancy and disagreement on what the next steps should be. However, we have started to see there has been a shift in these discussions towards shared ownership and accountability for implementation of the operating model and the necessary structural changes are also starting to take place.

Ensuring that there is a Council-wide understanding of the new operating model, and how that sits alongside the Council's vision outlined in its new Corporate Plan, will be key to its success in the long term.

The Council has made good progress in reducing the size of its portfolio through the divestment programme, identifying savings and preparing for its 25/26 Budget and reviewing its MTFs model to consider its long-term financial position. The Council is considering all the levers within its control to achieve financial sustainability, including the transformation of its operating model. However, while the long-term financial position remains uncertain and given the scale of the debt, the position in our previous report still stands; it remains "impossible to know the shape of the Council's 'available financial resources' without clarity on the future framework for sustainability from government." We will continue to work with Government to explore options to support Thurrock in achieving financial sustainability.

- h. An action plan to strengthen the Authority's governance function, to secure improvements in transparency and formal decision making. This should include measures to improve the Authority's scrutiny function, including the taking and recording of formal decisions.**

The Governance Review, undertaken by the Monitoring Officer over the summer, identified clear priorities and areas of improvement to strengthen the Council's governance, addressing some of the failures identified within the BVI report, and building on previous diagnosis work done over the past year. This has brought the improvements on governance together into a holistic programme of work, rather than a series of separate activities and we have seen the pace increase as a result of the review. It is a priority for the Council to ensure the necessary improvements have been made in advance of the all-out elections in May 2025 to ensure the newly elected administration can start their four-year term with the right foundations in place. We will continue to monitor progress on this action plan through the Governance Recovery Board.

A core part of this plan is to make improvements to the formal decision-making process. The Council is in the middle of reviewing its Constitution, to make it more accessible and to clearly define the roles and structures of the organisation, ensuring governance is both open and proportionate. The Council has also started using a new internal system for producing Cabinet reports, is building up a corporate forward look of upcoming reports and has rolled out a programme of report writing training, led by the Monitoring Officer. We have already seen the quality of reports improve since the start of the intervention, but want to see senior officers, report authors and corporate teams feeding into the reports all taking accountability for the content of the report while remaining focused on the Council's financial position.

The new Overview & Scrutiny Committees have now each met at least three times. The Council has taken some time to adapt to the new arrangements but further training and the development of clear work programmes for the Committees are helping to embed this ahead of the next municipal year.

i. Arrangements to secure the proper resourcing and functioning of the system of internal controls, including risk management and internal audit.

The Council recently approved a Risk Management Strategy for 2024-2027 and has a clear action plan to strengthen the Council's risk management arrangements. This plan seeks to address the recommendations identified within the BVI report and improve the organisational culture around risk management. We have already started to see an increased awareness of risk and risk mitigations from members and officers who welcomed this action plan. Key to this will be ensuring that the Council has an up-to-date corporate risk register, that the risk management team has the capacity and capability to embed this throughout the organisation, and that members and officers have the necessary training and support to understand their roles and responsibilities.

On internal audit, the plan for 24/25 has been agreed and will be reviewed regularly to ensure the plan reflects the latest priorities and risks for the Council. Corporate capacity and capability across risk and internal audit at a senior level has been strengthened now the new Head of Financial Assurance, Internal Audit, Risk and Insurance is in place and reports directly to the S151 Officer, but the capacity and resourcing of the team remains a key risk.

j. To take steps to ensure that the role of Accountable Body to the Thames Freeport is exercised to the satisfaction of the Commissioners. This should be reflected in the Authority's Improvement and Recovery Plan.

As the Accountable Body to the Thames Freeport, the Council is continuing to take steps to ensure the necessary governance is in place, given the complexity of the arrangements between all the partners involved. This is an area that we will continue to monitor closely, including through the Governance Recovery Board, but we are currently positive about the direction of travel and the Council's approach.