

Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 15 May 2024

Ward(s) affected: All

Report of: Chief Executive

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Report Status: Open

Corporate Improvement Plan

1. Executive Summary

1.1 On 3 January 2024, SOLACE was commissioned by the former Chief Executive and other statutory officers to undertake an Independent Governance Review of Guildford Borough Council (GBC). The scope of the review was deliberately wide, to encompass the entirety of the Council's business, structure, processes, systems and culture.

1.2 Alongside this report, SOLACE was also commissioned to look specifically at Guildford's housing landlord function.

1.3 The main finding of the reports is that the Council is at serious risk of failing in its statutory duty to deliver Best Value. The recommendations of both reports are designed to assist the Council to avoid such a failure, and to address the issues identified.

1.4 The reports recognise the efforts that are already underway to improve the Council's operation, and recommends the Council

develops a comprehensive Improvement Plan encompassing all of the recommendations within the reports.

1.5 The SOLACE reviews recommend that the progress of the Improvement Plan should be reported to the Council at six monthly intervals for three years.

2. Recommendation to Committee

2.1. That Corporate Governance and Standards Committee resolves to recommend to Council that it:

- (a) Notes and endorses the findings of the two SOLACE reports, attached as Appendices 1 and 2.
- (b) Endorses and adopts the Improvement Plan, including the Housing sub-plan, attached at Appendices 3 and 4.
- (c) Notes that the Improvement Plan (Appendix 3), along with the Housing sub-plan (Appendix 4), addresses each and every recommendation and finding from the two SOLACE reports and, in some areas, goes further.
- (d) Agrees that delivery of the Plan will enable Councillors to have confidence that we are delivering best value for Guildford's residents and businesses.
- (e) Notes that the Chief Executive and Corporate Management Board will be accountable for the delivery of the plan.
- (f) Agrees to receive updates on the delivery of the Improvement Plan, and progress on addressing the recommendations, every six months for three years.
- (g) Agrees, in line with the recommendations from SOLACE, to the appointment of an Independent Assurance Panel to provide an independent "critical friend" challenge to the Council.
- (h) Agrees to that panel being appointed by the Chief Executive, noting that it is likely to include at least two lead members of the SOLACE review team (Andrew Flockhart and Chris Buss). Having

carried out the review, these experts have a detailed understanding of the issues facing GBC, and are well-placed to advise the Council on whether the actions being taken address the concerns identified.

- (i) Note that the panel itself will also provide an independent view to the Council, on a six-monthly basis, about the progress of improvements. These reports will be made public.

3. Reasons for Recommendations and purpose of report

- 3.1 To ensure the Council is aware of, and has had the opportunity to endorse, the findings and recommendations of both SOLACE reviews.
- 3.2 To advise the Council of the steps that have already been taken by the Chief Executive, Corporate Management Board and other colleagues to respond to those findings and recommendations.
- 3.3 To ensure the Council is aware of, and has had the opportunity to endorse, the arrangements that will be put in place to ensure regular, open and transparent reports on progress, as well as open, transparent and independent oversight.

4. Exemption from publication

- 4.1 No part of this report is exempt from publication.

5. Strategic Priorities

- 5.1 The delivery of the Improvement Plan will be a key strategic priority for the Council.
- 5.2 Included within that improvement plan is a commitment to develop and publish a new corporate strategy and set of corporate values. As noted, that piece of work has already commenced, and a new corporate strategy will be brought forward to Full Council for consideration and adoption in July.

6. Background

- 6.1 We are hugely grateful to the authors of the reports: Andrew Flockhart, Chris Buss, Suki Binjal, Jim Taylor and Jeanette McGarry, for their excellent work.
- 6.2 We recognise everything that the report covers, and accept all its recommendations.
- 6.3 It is clear GBC is not working as well as it should be. There have plainly been issues with the Council's governance, operations and culture, which have been ongoing for some time. This is particularly acute in the Housing landlord function, where a mixture of systems, management and control issues made GBC's services vulnerable to failure. This was exacerbated by a culture that encouraged silo working and discouraged challenge.
- 6.4 This is not acceptable, and will not continue. The residents and businesses of Guildford have a right to expect that GBC is run well, and that we make best use of each and every penny of funding.
- 6.4 Over the last two months, we have been developing an ambitious Improvement Plan to address the issues that we identified.
- 6.5 In putting together this plan, our objective is to ensure GBC is sustainable, provides excellent value for money, and provides services that our residents and businesses can be proud of. The plan will ensure the Council is outward facing and innovative, working together with our partners to make Guildford a brilliant place to live, work and do business. However, this will take time to have effect. Results will not be instant.
- 6.6 The SOLACE reports are a critical contribution to our Improvement Plan. Their independent findings provide additional evidence and align entirely with our own assessment.
- 6.7 We have revised our Improvement Plan to ensure that every single one of the SOLACE recommendations is covered by the Plan. In some areas, our ambitions and Plan go further than the recommendations.

The Improvement Plan is attached in Appendix 3. This is a live plan, and we will update it and flex it as the work develops.

- 6.8 Our responses to many of the recommendations are already underway, and this is noted in the report, and in the Improvement Plan. Because of the volume of recommendations in the Housing space, we have developed an additional, more detailed sub-plan for Housing, to which the main Improvement Plan refers. The Housing Sub-Plan is attached as (Appendix 4).

7. Summary of the Improvement Plan

7.1 The key elements of the plan are:

- (a) Establishing clear strategic direction and values for the Council, providing a basis for performance management and continuous improvement.
- (b) Ensuring we provide the best value for money by embedding effective finance practices with sufficient capacity, and alignment between the organisation's priorities and its use of resources, including procurement and contract management.
- (c) Embedding a public service culture, outward-facing, innovative, building partnerships, listening to and working with our communities and businesses to deliver effective services that are value for money.
- (d) Implementing effective governance across the organisation, so decisions are made at the right level, with accountabilities and responsibilities clear. Decision-making will be open and transparent, supported by evidence, and a committee system that provides constructive challenge.
- (e) Ensuring effective service delivery, focused on achieving the right outcomes for residents and businesses, and supported by an effective performance reporting, risk-management, monitoring and audit regime.

- (f) To ensure that housing services are effective, value for money, and recognise the vital importance of providing a safe and secure home.
- 7.2 The Chief Executive and Corporate Management Board will be accountable for the delivery of the plan.

8. Next steps

- 8.1 The Improvement Plan will go to Corporate Governance and Standards Committee on 15 May.
- 8.2 If the Corporate Governance & Standards Committee are content, it will then go to Full Council on 17 June, where they will recommend it be endorsed.

9. Consultations

- 9.1 All Guildford Borough Councillors were briefed on this item prior to publication.
- 9.2 The Council's Leader and Executive Members and its Joint Management Team were consulted on this item prior to it being finalised.

10. Key Risks

- 10.1 The two SOLACE reports identify a number of corporate and service level risks that the Council needs to respond to. As set out within paragraph 1.3 of the Executive Summary and in paragraph 12.2 of the legal commentary below, the main finding of the reports is that the Council is at serious risk of failing in its statutory duty to deliver Best Value. The recommendations of both reports – and the design of the Implementation Plan - are designed to assist the Council to avoid such failure and to address the issues identified.

11. Financial Implications

- 11.1 In early 2023, significant financial issues were identified and Council were warned of the risk of being in a s114 position in July 2023. The Council approved a Financial Recovery Plan in August 2023, which set

- out a plan to deal with the financial deficit and had a separate workstream dealing with improvements to financial governance.
- 11.2 A significant amount of work has been done to address the key risks identified, but there is still outstanding work to be completed and this is captured within the Improvement Plan.
 - 11.3 Investment will be required to improve governance across the Council and to strengthen both the finance and legal functions as part of the Improvement Plan. These will be built into the next MTFP.

12. Legal Implications

- 12.1 Section 3 Local Government Act 1999 provides that the Council “must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Section 4 of the Act, as amended by the Local Government and Public Involvement in Health Act 2007, provides that the Council must have regard to the statutory guidance when deciding how to fulfil that duty.
- 12.2 The SOLACE report concludes that the Council is at serious risk of failing in its statutory duty to deliver best value and their recommendations are designed to assist the Council to avoid such a failure.
- 12.3 Section 5 of the Local Government and Housing Act 1989 provides that the Council must designate one of their officers to be known as the Monitoring Officer, and that it shall be the duty of that officer if it appears to them that any proposal, decision or omission by the Council has given rise to a contravention of any enactment, to prepare a report to the Council. The Council’s Monitoring Officer has given careful consideration to this statutory duty and concluded that it is not currently triggered. There is currently a risk that the Council is failing to comply with the provisions of the Local Government Act 1999 in respect of the best value duty but the Council’s proposed Improvement Plan should negate that risk and ensure continued compliance.

12.4 The Department for Levelling Up, Housing & Communities has the power, under section 230 Local Government Act 1972, to issue a formal Best Value Notice on a local authority, to obtain assurance in respect of securing continuous improvement. Ultimately the Secretary of State has the power under s15 Local Government Act 1999 to intervene by way of statutory directions where satisfied that a local authority is failing to comply with its Best Value Duty.

13. Human Resource Implications

13.1 Where findings and recommendations in the SOLACE reports relate to HR and where actions within the Council's Improvement Plans rely on input from the Councils HR function, this is set out within the appendices. See paragraphs 7.15, 8.13, 8.14, 8.19 and 12.6 of the Corporate Improvement Plan (Appendix 3) and recommendation 13 and 26 of the Housing sub-plan (Appendix 4) in particular.

13.2 At a strategic level, a key action included in the Improvement Plan is to ensure the Council has a refreshed and effective people strategy in place. Underpinning that overall approach, there are a number of specific actions for HR which include refreshing the employees' code of conduct and HR processes to ensure effective support for whistleblowers and supporting managers to ensure that the organisation's HR policies are consistently adhered to.

14. Equality and Diversity Implications

14.1 There are no direct Equality and Diversity Implications arising from this report.

15. Climate Change/Sustainability Implications

15.1 There are no direct climate change / sustainability implications arising from this report.

16. Summary of Options

16.1 Officers recommend that the committee resolves to agree the recommendations set out in section 2. Alternatively, the Committee

could resolve not to agree or to amend any or all of the recommendations.

17. Conclusion

- 17.1 The main finding of the SOLACE reports is that the Council is at serious risk of failing in its statutory duty to deliver Best Value. The recommendations of both reports are designed to assist the Council to avoid such a failure, and to address the issues identified. Officers recommend that the committee resolve to agree the recommendations set out in section 2.

18. Background Papers

- 18.1 Department for Levelling Up, Housing & Communities: Best Value Standards and Intervention: A statutory guide for best value authorities, July 2023.

19. Appendices

Appendix 1 - Independent Governance Review of Guildford Borough Council (SOLACE)

Appendix 2 – Housing Governance Review, Guildford (SOLACE)

Appendix 3 – Guildford Borough Council Corporate Improvement Plan

Appendix 4 – Guildford Borough Council Housing sub-plan