

25 October 2023		ITEM: 11
Council		
Improvement and Recovery Plan		
Wards and communities affected: All	Key Decision: Key	
Report of: Cllr Andrew Jefferies, Leader of the Council		
Accountable Assistant Director: N/A		
Accountable Director: Dr Dave Smith, Chief Executive and Managing Director Commissioner		
This report is Public		

Executive Summary

The report allows for Members to approve the enhanced Improvement and Recovery plan for the Council. Building on the plan submitted in December 2022 and in response to the new Directions from Government and the Best Value Inspection report published this year, this plan sets out the future direction of the Council, the key objectives to deliver improvement and recovery, and the measures by which we will be assessed – which have been heavily influenced by recent engagement sessions with Members.

This plan builds on the work already underway and recognised by the Minister in his letter on 5 October. By focussing on three priorities of improving leadership to accelerate change, improving governance and controls and improving financial sustainability, this plan sets out a path for the Council to meet its Best Value Duty.

The Council continues to face significant challenges as it recovers and responds to the Directions from the Secretary of State. As failings are addressed and improvements made, the Council will have to work at considerable pace to make the required changes to re-shape the organisation and become financially sustainable. Difficult decisions will come forward in the coming months, including agreeing a new vision for how services are delivered and setting a budget for 2024/25.

The Improvement and Recovery Plan is a living document and will need to evolve to reflect the status of the intervention as well as the expectations of Commissioners and Members, while always responding to the Directions from the Secretary of State. As agreed at Full Council in September 2023, Members will receive quarterly updates on the progress the Council is making in delivering the plan.

1. Recommendation

1.1 That Council approve the enhanced Improvement and Recovery Plan at appendix 1.

2. Introduction and Background

2.1 On 2 September 2022, the then Secretary of State for Levelling-up, Housing and Communities made directions under section 15(5) and (6) of the Local Government Act 1999 to implement an intervention package for Thurrock Council. This package was in two parts: the first is that the Council's functions over managing its financial resources, exercise of the statutory requirement to arrange for the proper administration of the Council's financial affairs, and all functions associated with the strategic financial management of the Authority would be overseen by Essex County Council (ECC), in the role of Commissioner.

2.2 From the outset of the intervention, Commissioners have worked constructively with Members and Officers to ensure proactive engagement, meaning that in practice decisions continue to be taken by the Council with Commissioners powers held in reserve and used where they deem necessary.

2.3 These directions also required the Council to produce an Improvement and Recovery Plan within three months to set out an action plan to achieve:

- Financial sustainability, including closing short and long-term budget gaps and a robust multi-year savings programme
- Sustainable and affordable capital, investment and treasury management strategies
- An update minimum revenue provision (MRP) policy which is in line with relevant rules and guidelines
- A strict debt reduction plan
- Compliance with all rules and guidelines for financial management
- A suitable scheme of delegation for financial decision-making

2.4 Combining the Directions and recommendations from peer reviews and other experts, a plan was constructed at pace focused around 5 themes:

- Financial Sustainability
- Governance and Scrutiny
- Strategic Direction
- Leadership and Culture
- Place Leadership and Growth

- 2.5 This plan was submitted to the Commissioners and the Department for Levelling-up, Housing and Communities (DLUHC) in December 2022

Update Reports and Expanded Directions

- 2.6 The Commissioners first report to the Secretary of State and an update from the Best Value Inspection team were published by DLUHC on 24 January 2023 alongside the Ministerial response to them, which outlined that the Secretary of State was ‘minded-to’ expand the Directions in order to:
- transfer further powers to Commissioners in areas such as governance, the way the Council delivers services and the senior structure of the Council.
 - require the Council to produce an enhanced Improvement and Recovery Plan to go further into particular areas.
 - appoint a Managing Director Commissioner in order to strengthen the intervention model, and to support the Authority’s capacity to deliver against its improvement plan.
- 2.7 The Secretary of State confirmed the expanded recommendations and appointment of Dr Dave Smith as Managing Director Commissioner on 16 March 2023 effectively replacing the original directions from 2 September 2022.
- 2.8 The updated Directions also set out the actions to be taken by the Council. The actions relating to the Improvement and Recovery Plan are:
1. *Prepare and agree an Improvement and Recovery Plan to the satisfaction of the Commissioners, within 6 months, with resource allocated accordingly. This should include and draw upon the existing Improvement Plan produced in December 2022, per the Directions issued to the Authority on 2 September 2022. 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, leadership and culture in the Authority, in the Authority’s exercise of its overview and scrutiny functions and in its performance of services, thereby securing compliance with the Best Value Duty. The Improvement and Recovery Plan should include at a minimum:*
 - 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.*
 - 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.*
 - d. *An action plan to ensure the Authority is complying with all relevant rules and guidelines relating to the financial management of the Authority.*
 - e. *A suitable scheme of delegations for financial decision-making.*
 - 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.*
 - 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.

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

To report to the Commissioners on the delivery of the Improvement and Recovery Plan at 6 monthly intervals, or at such intervals as Commissioners may direct.

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.

- 2.9 Following Member engagement sessions, the enhanced Improvement and Recovery plan is being recommended to Full Council for approval.

3. Enhanced Improvement and Recovery Plan

- 3.1 The enhanced Improvement and Recovery Plan can be found in full at appendix 1. In summary, the key aspects of the plan are:

- It reflects the requirements of the Directions as outlined above.
- There is more detail on how the Council is will measure and assure our improvement - influenced heavily by the feedback we have received during the Member engagement sessions (Section 7)
- The workstreams and objectives are grouped under three priorities:
 - Improving Leadership to Accelerate Change (Section 4)
 - Improving Governance and Controls (Section 5)
 - Improving Financial Sustainability (Section 6)

- 3.2 Where relevant the ongoing activity from the current Improvement and Recovery Plan has been mapped across and as outlined in the plan, where it is more appropriate to capture activity in a different plan it has been moved, for example Place Leadership and Growth will be captured within the Corporate Plan once developed.

Member engagement

- 3.3 The feedback from the Member engagement sessions has been key to shaping the document as a whole and there are two main ways in which comments from the have been incorporated depending on their nature:

- Either directly into the workstream outcomes (sections 4, 5 and 6), such as
 - Collaboration between officers and Members relating financial management and capability.
 - Improved confidence as a result of improved public engagement, scrutiny and openness
- Or into how those outcomes are measured (section 7), such as
 - Meaningful engagement in the development of the new direction and purpose for the Council.
 - Belief that there has been a meaningful and sustained change in the approach to openness and transparency.

Priorities

- 3.4 The enhanced Improvement and Recovery Plan reflects the transition of the Council's recovery from 'discovery' to 'transformation' phase. As such, the objectives the plan seek to achieve have been grouped into three priorities as summarised below:

Priority: Improving leadership to accelerate change	
Leading with purpose and direction	<ul style="list-style-type: none"> • A long-term purpose and direction for the council • Develop a medium-term Corporate Plan • A new approach to strategy-led business planning
Building our corporate capability	<ul style="list-style-type: none"> • New operating model • Redesign and restructure the Council. • Stand-up a PMO
Priority: Improving governance and controls	
Establishing the foundations for governance excellence	<ul style="list-style-type: none"> • Review and refresh all of our governing policies • Build a capable and effective scrutiny function, • Governance review for all external companies or partnership bodies (Thames Freeport)
Creating an exemplary control environment	<ul style="list-style-type: none"> • Risk managed operating environment. • Assurance and audit functions are re-set. • Proportionate processes that maximise transparency and accountability
Priority: Improving financial sustainability	
Divestment of the Council's investments	<ul style="list-style-type: none"> • Dispose of investments
Improving our stability through budgetary savings and maximisation of income	<ul style="list-style-type: none"> • Savings, income and discussions with DLUHC • Capital receipts. • Review of the capital programme
Improving our financial management capability and practice	<ul style="list-style-type: none"> • Demonstrate exemplary corporate financial leadership • Redesign and restructure the Council's financial service

Measuring Improvement, Assurance and Reporting

- 3.5 The information at section 7 outlines a new approach for the enhanced Improvement and Recovery plan and provides for qualitative and quantitative assessment of the Council's improvement. Heavily influenced by the Member engagement sessions, this provides measures to test whether the Council is

making progress and whether Members, Commissioners, residents and partners feel like improvements have been made.

- 3.6 This improvement will also be assured by opening the Council up to independent validation and testing of progress being made to demonstrate our effectiveness in improving and becoming the high performing Council the residents of Thurrock deserve.
- 3.7 This will form the basis for assessing and reporting going forward as the recent progress reporting to Members is built upon in line with the discussion at Full Council on 27 September 2023.

4. Reasons for Recommendation

- 4.1 The Directions from the Secretary of State require the Council to produce an enhanced Improvement and Recovery Plan within six months of the new Directions being issued. With the agreement of DLUHC and Commissioners and recognising slippage on the timeline set out in the directions, this was extended for a period of 1 month to allow the organisation to consider the Best Value Inspection report published in June and to avoid engagement taking place during August.
- 4.2 Council is asked to approve the Improvement and Recovery Plan found at appendix 1.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Specific engagement and consultation sessions have taken place with Members to discuss the emerging priorities, the outcomes framework and to understand what improvement would look and feel like to them as Members. This feedback has been reflected in the document and has shaped the overall approach.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 There are no direct impacts as a result of this report.

7. Implications

7.1 Financial

Implications verified by: **Karen Ind**
Management Accountant

Revenue budget has been set aside for two years as part of the Medium-Term Financial Strategy to fund the additional resource required to support delivery of the Enhanced Improvement and Recovery Plan. This resource and capacity will enable the Council to move towards financial sustainability by the

delivery of long-term savings, maximising income, demonstrating value for money, divestment of the Council's investments and review of the capital programme. It will also allow the Council to improve the governance and controls and implement the culture change required by the organisation. Grant funding and external support, where available, will also be used to fund delivery.

7.2 Legal

Implications verified by: **Asmat Hussain**
**Interim Director of Legal and Governance and
Monitoring Officer**

Implications verified on: **16 October 2023**

On 2 September 2022, the then Secretary of State for Levelling-up, Housing and Communities made directions under section 15(5) and (6) of the Local Government Act 1999 to implement an intervention package for Thurrock Council. Failure to comply with these Directions may lead to further intervention measures for the council.

The delivery of actions within this Plan, as well as any subsequently identified actions, will support the council to achieve sustainable improvement and lead towards the end of government intervention. Ultimately, the changes made through the Improvement and Recovery Plan will enable the council to effectively deliver its strategic priorities and ensure it is delivering value for money for Thurrock.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

Those delivering the Enhanced Improvement and Recovery Plan should take due regard of the Public Sector Equality Duty. The Council as a whole is bound by the requirements of the Equality Act 2010 as well as our own Equality, Diversity and Inclusion Policy and Strategic Plan. Improvements relating to the use of Equality Impact Assessments are included in the Enhanced Improvement Recovery Plan.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

There are no direct significant implications from the recommendations in this report.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Documents relating to the intervention in Thurrock Council, DLUHC - <https://www.gov.uk/government/collections/intervention-at-thurrock-council>
- Best Value Inspection Report, Full Council 28 June 2023 - <https://democracy.thurrock.gov.uk/ieListDocuments.aspx?CIId=134&MID=6346#A117652>
- Progress on Thurrock Council's Improvement and Recovery, Full Council 27 September 2023 - <https://democracy.thurrock.gov.uk/ieListDocuments.aspx?CIId=134&MID=6348#A117934>

9. Appendices to the report

- Appendix 1 – Enhanced Improvement and Recovery Plan, October 2023

Report Author:

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