

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner.

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Y	22/08/25
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	Y	22/08/25
Relevant Group Head review		
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Y	11/08/25
This item is on the Forward Plan for the relevant committee	Y	
	Reviewed by	
Risk comments	LO	18/08/25
Legal comments	LH	18/08/25
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner.

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	18/08/25
S151 Officer commentary – at least 5 working days before MAT	Terry Collier	11/8/25
Confirm final report cleared by MAT		

CPRC

13 October 2025

Title	Best Value Improvement and Recovery Plan
Purpose of the report	To make a recommendation to Council
Report Author	Daniel Charles Mouawad, Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to Recommend to Council that: (i) the Improvement and Recovery Plan be approved (ii) the Reorganisation and Transformation Board be formally disbanded, the Improvement and Recovery Board be set up and the Terms of Reference in Appendix C be approved (iii) the reporting mechanisms be approved; and (iv) authority be delegated to the Corporate Policy and Resources Committee (CPRC) to approve changes to the Improvement and Recovery Plan as part of regular reporting arrangements.
Reason for Recommendation	As the Improvement and Recovery Plan is the required response to the statutory direction of the Secretary of State, it is the ultimate responsibility of Council to formally approve the Plan. CPRC is asked to recommend to Council that the Improvement and Recovery Plan be formally approved.

1. Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">This report sets out the Council's response to the Secretary of State's Best Value Directions.	<ul style="list-style-type: none">The Improvement and Recovery Plan is a response to the statutory direction of the Secretary of State.To ensure that the Council can demonstrate to stakeholders by the time Surrey Local Government Reorganisation takes effect, that the Council is passing on a robust, financially sustainable and resilient position
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none">Seek CPRC approval of this single Improvement and Recovery Plan and the associated governance arrangements	<ul style="list-style-type: none">Recommend to Council to formally approve the Plan and implement the associated ongoing governance arrangements

2. Key Issues

- 2.1 This report sets out the Council's response to the Secretary of State's Best Value Directions, issued in May 2025, in the form of a single Improvement and Recovery Plan (IRP).
- 2.2 A recommendation to Council to formally approve this single Improvement and Recovery Plan is sought from CPRC, to provide the organisation with a clear direction for its improvement journey and a single framework for ensuring that all of the Directives are addressed. As the IRP is a response to the statutory direction of the Secretary of State, it is the ultimate responsibility of Council to formally approve the Plan.
- 2.3 Approval of this IRP will also provide the Authority with a clear direction for its improvement journey that will enable the continued delivery of the strategic and statutory intervention priorities setting a path to greater financial sustainability.
- 2.4 The IRP includes proposed mechanisms for enhanced governance and assurance. These mechanisms will enable Commissioners, Councillors and senior officers to manage the delivery of the IRP, whilst also providing all stakeholders, including MHCLG, external auditors, and unitary authority partners, with assurance on progress.
- 2.5 The IRP will be regularly updated to reflect the changing nature of the programme in the context of Local Government Reorganisation (LGR). It is expected that quarterly progress reports will be presented to both CPRC and to Commissioners via the IRP Board. These reports in turn will inform the quarterly progress the Commissioners will be providing to MHCLG.

3. Government Intervention

- 3.1 On 8 May 2025, the Secretary of State for Housing, Local Government and Communities announced an intervention package and a set of Directions (**see Appendix A**) to ensure that the Council was able to comply with its best value duty

under Part 1 of the Local Government Act 1999. The basis for the intervention was to:

- Provide the additional scrutiny, external challenge, advice and monitoring needed to oversee the improvements.
- Address systemic weaknesses in the Authority's governance functions, to secure improvements in transparency and formal decision making.
- Deliver financial sustainability by closing any short or long-term budget gaps and reducing the Authority's exceptionally high level of external borrowing.
- Increase corporate grip of the Authority's risk management and ensure compliance with all relevant rules and guidelines relating to the financial and debt management of the Authority.
- Strengthen the commercial decision-making, regeneration, property management and procurement functions of the Authority to address the serious failings in these areas over recent years and ensure conformity with the Best Value Duty.
- Agree as necessary any changes needed to the Authority's operating model and transformation of council services to achieve value for money and financial sustainability, taking account of any decisions relating to proposals for unitary local government in the Surrey area.
- Rebuild trust and reset the organisational culture.

3.2 The intervention package is formed of actions the Council is directed to take, namely: "Prepare and agree an Improvement and Recovery Plan to the satisfaction of the Commissioners, within 6 months of the Direction, with resource allocated accordingly. This should integrate relevant contents and recommendations of the Best Value Inspection, published on 17 March 2025, the Grant Thornton (the Council's external auditors) 2023/24 audit report and July 2023 Chartered Institute of Public Finance and Accountancy (CIPFA) Capital Assurance review. The plan should feature a comprehensive performance management framework that sets out measures to be undertaken, together with milestones and delivery targets against which to measure performance, to deliver rapid and sustainable improvements in governance, finance, property, housing, and commercial functions, thereby securing compliance with the best value duty".

3.3 The Improvement and Recovery Plan will be a living document, one that will need to evolve to respond to Local Government Reorganisation Structural Change Orders. Through the proposed governance arrangements, changes to the IRP will be captured and approved through both the IRP Board, to be chaired by the Lead Commissioner and the Corporate Policy and Resource Committee. To enable the authority to maintain the required pace of its improvement journey, it is proposed that an Implementation Director be appointed to support the delivery of the Improvement and Recovery Plan and compile regular report updates. The IRP, subject to the Secretary of States Direction, will be transferred to the new unitary authority responsible for the geography that currently constitutes the Borough of Spelthorne.

4. Development of the Improvement and Recovery Plan

4.1 The IRP attached at **Appendix B** has been built on the specific requirements set out in the statutory Directions and the recommendations from the Commissioner Team. The IRP brings together the various plans and programmes including Best Value Inspection, the Grant Thornton 2023/24 audit report and the CIPFA Capital assurance review.

- 4.2 The IRP contains five themes that bring together the work already underway, along with new activity. The five themes and their strategic aims are:
- (i) **Finance:** To achieve financial sustainability through disciplined planning, effective governance, and transparent reporting.
 - (ii) **Commercial:** To prepare the council for unitarisation by reducing its exposure to commercial risks whilst maximising the value of its property assets and protecting the public purse.
 - (iii) **Regeneration and Housing:** To develop a strategy for the Council's regeneration sites which provides realistic and credible plans for the sites, increases the provision of housing, reduces homelessness, and minimises the use of temporary accommodation and assessing the viability of Knowle Green Estates company.
 - (iv) **Governance:** Rebuild trust, collective working, and transparency by strengthening governance and improve decision making, ensuring decisions are collectively owned and evidence based, developing a collective understanding of both risk appetite and the risks facing the council, developing a culture of learning through strong audit and external challenge.
 - (v) **Local Government Reorganisation:** To provide a stronger long-term foundation for high-quality local government services, stronger accountability, enhancing economic growth and more responsive local governance.
- 4.3 All themes have interdependencies. For example, a significant dependency is in delivering the savings identified within the Finance theme within the Medium-Term Financial Plan, with the ability for example to achieve "A comprehensive and strict debt reduction plan" dependent on the ability of the Council to deliver a significant assets reduction programme. Interdependencies will be managed through the IRP Programme Management Office (PMO).
- 4.4 All Directions and recommendations are aligned to one or more of the themes, with progress reported by Commissioners to the Secretary of State as part of the governance arrangements. Each theme has a strategic aim, a clear set of outcomes, workstreams and activity with milestones which will be used to track progress against expected timescales and achievements.
- 4.5 A phased approach has been taken to developing the IRP. This recognises that there are elements of activity that require further design and engagement. This is particularly relevant for the Commercial and Regeneration and Housing themes.
- 4.6 The IRP captures the known actions and deliverables to date and provides a foundation for the Council's improvement. Further IRP refinement will undoubtedly be identified supporting the improvement and delivery plans for certain areas, pending securing necessary resources.
- 4.7 The IRP is a multi-year plan, recognising the journey that the Council needs to progress through and reflecting the commercial reality of such actions as delivering an Asset Disposal Strategy. Significant elements of the IRP may out of necessity extend beyond the life of the Council. For example, in order to obtain best value for money, the assets disposal programme (both commercial and regeneration) will probably need to extend over three or five years (beyond the life of the Council). The activity within this IRP focusses on key timelines and will be updated periodically as a result of resourcing challenges, which need to go through appropriate governance sign off etc as improvement progresses up to LGR transition.

5. Progress since Intervention

- 5.1 This section describes the progress that the Council has made in compiling a single Improvement and Recovery Plan as the Council's response to the Secretary of State's Directions, which has been the key focus of Commissioners engagement with the Council over this period.
- 5.2 **Thematic Workshop Structure:** The process for beginning the drafting of each theme's element of the IRP began with a workshop attended by a lead Commissioner, a lead Officer (the Senior Responsible Officer), a lead Councillor, relevant key officers and members of the Commissioners' support team. Each workshop was designed around a clear strategic aim, providing a focused framework for discussion and planning. The sessions began with a collaborative exercise where participants identified and defined the key issues affecting the Council within the theme. Contributions were gathered and then organised into related groups to highlight common challenges.
- 5.3 Following the workshop, these issues were brought together into detailed problem statements for each area, alongside an overarching problem statement that captured the broader challenges across the entire theme. The purpose of this approach was to ensure a shared and thorough understanding of the root causes behind the intervention. By clearly defining the problems upfront, participants were better positioned to focus on meaningful solutions.
- 5.4 Once the problem statements were established, the discussion shifted towards envisioning the desired future outcomes. Participants were encouraged to articulate a future state that would demonstrate the strategic aim had been met and the intervention directions successfully addressed. This forward-looking perspective helped to set clear objectives and priorities.
- 5.5 Building on these outcomes, participants then identified specific activities and outputs necessary to deliver on the desired changes. This practical step helped translate strategic goals into actionable plans.
- 5.6 After the workshops, all the inputs, findings, and action points were compiled into comprehensive reports and shared with participants for review and feedback. This iterative process ensured that timelines were realistic, objectives achievable, and that all activities maintained strong alignment with the agreed intervention directions for each theme.
- 5.7 An important outcome of this process was the recognition of numerous interdependencies between themes. These cross-theme links are being documented separately to support integrated planning and coordinated delivery and may in their own right result in changes to the IRP.
- 5.8 **Plans on a Page:** The write-ups from these workshops formed the basis for creating a Plan on a Page (POAP) for each theme. These POAPs provide a concise, one-page visualisation of the strategic initiative for each theme. They are necessary and useful because they distil complex information into a clear and accessible format, making it easier for all stakeholders to understand the priorities, objectives, and key activities at a glance.
- 5.9 Alongside the POAPs, the defined workstream activities were extracted and timelines developed. This will help structure delivery in manageable phases, ensuring progress can be tracked effectively and any risks or delays identified early.

- 5.10 The next phase to be presented to CPRC in December, will focus on securing approval for the overall IRP, the resourcing necessary to deliver, resolving interdependencies and developing detailed work packages for each workstream. This will include creating all necessary governance documentation to enable effective tracking, management, and reporting of progress.

6. Improvement and Recovery Plan Themes

- 6.1 **Finance Theme:** The Finance Theme focused on defining the key challenges facing the Council's financial sustainability and governance. It also agreed desired outcomes and initial objectives to address them. The discussion was framed by the strategic aim of *achieving long-term financial sustainability through disciplined planning, effective governance, and transparent reporting*. Core areas of scope included the Medium-Term Financial Strategy (MTFS), capital and treasury management strategies, debt reduction, sinking funds review of associated modelling and assumptions, Minimum Revenue Provision (MRP) policy, financial governance and reporting, financial capacity and capability, overall Council service reconfiguration as part of the Budget process, and the development of an overarching financial sustainability plan.
- 6.2 The theme identified several interconnected issues. These included a lack of financial understanding and ownership among councillors, weak governance structures, and in some instances strained member/officer relationships. Concerns were raised about the quality and timeliness of financial reporting. Some reports were issued containing errors or lacking clear financial implications. It was noted the importance of having a credible plan to address significant budget gaps, unsustainable ongoing costs from stalled regeneration projects, and exposure to investment risks. Limited technical capacity within the finance team, unresolved audit issues, outdated sinking fund assumptions, and prolonged non-sign-off of accounts since 2018/19 were all seen as major barriers to effective financial management and assurance.
- 6.3 From these discussions, a high-level problem statement was agreed. *The Council's financial governance is weakened by low confidence, limited capacity, and poor engagement. This results in unclear ownership, unreliable reporting, and increasing financial risk.*
- 6.4 *Desired outcomes* include establishing robust and transparent governance arrangements, ensuring councillors are engaged and informed in decision-making, building finance team capacity and technical expertise, delivering accurate and accessible reporting, and creating a shared understanding of the financial position and the actions needed to improve it.
- 6.5 *Emerging objectives* were developed to guide next steps. These include producing a credible long-term financial strategy and multi-year savings plan. They also include ensuring capital, investment, and treasury management strategies are affordable and supported by assets rationalisation. Implementing a structured debt reduction plan, reviewing and updating sinking fund assumptions, strengthening compliance with financial regulations including an updated MRP policy, aligning services with available resources, and reinforcing governance, risk management, and audit functions are also priorities. Agreed outputs and deliverables range from updated budget models, sinking funds strategies, and governance frameworks to publishing a robust draft set of Statement of Accounts for 2024-25, completing a finance team restructure, and achieving a clean external audit opinion for 2025-26 Statement of Accounts.

- 6.6 The theme demonstrated clear recognition of both the scale and urgency of the financial challenges and is mindful that the last Budget anticipated to be set by the Council is likely to be the Budget for 2026-27. It secured a shared commitment to address root causes, from governance culture to technical capability. This has laid the groundwork for a coordinated programme of actions aimed at restoring financial stability, improving transparency, and rebuilding stakeholder confidence.
- 6.7 **Commercial Theme:** The Commercial Theme focused on defining the Council's commercial purpose, identifying barriers to effective commercial activity, and agreeing objectives to strengthen governance, align priorities, and prepare for unitarisation. The strategic aim was to reduce the Council's exposure to commercial risks while maximising the value of its property assets and safeguarding the public purse. Core areas of discussion included developing a unified commercial strategy, strengthening governance and decision-making, managing and rationalising the asset portfolio, improving procurement and contract management, building capacity, and ensuring commercial activity is aligned with the Council's objectives and community needs.
- 6.8 The workstream identified several interlinked issues. A lack of clarity over the Council's commercial role and objectives has led to operational disparities, misaligned priorities, and insufficient consideration of long-term risks. Strategic planning was reactive, with existing long-term plans not always robust or adaptable to changing circumstances. The asset portfolio is underperforming, with gaps in strategy for leases, expirations, and voids, which create budget vulnerabilities.
- 6.9 Trust emerged as a significant barrier, with perceptions of optimism bias in reporting, inconsistent transparency, and in some instances strained relationships in the past between Members and officers. Resource constraints, limited contract management capacity, and under-resourced procurement functions further hindered effective delivery. Participants also highlighted the need for evidence-based decision-making with stronger evaluation of asset performance, better risk assessment, and continuing to improve collaboration between Finance and Assets teams.
- 6.10 From these discussions, a high-level problem statement was agreed. Inadequate strategic planning, unclear commercial objectives, and internal trust issues are limiting the Council's ability to manage resources effectively, make informed financial decisions, and deliver public value. Desired outcomes include establishing good commercial governance aligned with the Corporate Plan, ensuring assets are functioning and sustainable, and contribute to financial resilience. Building the right skills and capacity, making informed risk-balanced decisions, improving procurement to achieve best value, and fostering a culture of collective ownership and delivery are also key outcomes.
- 6.11 Emerging objectives were developed to address these challenges. These include creating a property rationalisation plan (covering investment and housing/regeneration assets as well as some municipal assets) to support debt reduction, reviewing the property portfolio in depth, establishing robust governance and commercial protocols, developing a unified commercial strategy with clear decision-making criteria, strengthening procurement frameworks and pipelines, improving systems and data management, developing a sinking fund policy statement, and ensuring the team has the skills and capacity to deliver ahead of Local Government Reorganisation. Key outputs will include a detailed commercial strategy, property portfolio and rationalisation reports, updated governance frameworks, enhanced procurement processes, improved data systems, and a stakeholder communication plan.

- 6.12 The Commercial workstream achieved a shared understanding of the Council's commercial challenges and secured commitment to coordinated action. By addressing cultural, governance, and capacity issues alongside operational improvements, the Council is making progress to better manage commercial risk, optimise asset value, and ensure commercial activity delivers financial returns and public benefit.
- 6.13 **Governance Theme:** The Governance Theme addressed the need to overhaul the Council's governance arrangements to strengthen decision-making, increase transparency, and rebuild trust between some Members and officers. The strategic aim was to foster collective working and evidence-based decision-making, clarify roles and responsibilities, improve the Council's approach to risk, and embed a culture of continuous improvement supported by strong audit and challenge. The scope of discussion included the effectiveness of decision-making, cultural change to improve member-officer relationships, audit and risk, and creating a performance and improvement framework that embraces transparency and accountability.
- 6.14 The workstream identified a series of interconnected governance challenges. Some reports to committees were found to lack sufficient detail, accuracy, and key inputs from finance and legal teams. This resulted in poor-quality evidence to support decisions. The decision-making process suffers from low trust between some councillors and officers. There is insufficient alignment with the corporate plan, inadequate risk assessment, and limited engagement of Members - particularly committee chairs - early enough in the process. The committee system itself was described as inefficient and confusing, leading to slow, inconsistent decisions and a lack of ownership. Internal audit, historically weak and now outsourced, is in transition and needs stronger governance in line with CIPFA recommendations.
- 6.15 Risk management emerged as a significant weakness. The Council lacks a defined risk framework, an embedded risk culture, and a clear risk appetite statement. This results in inconsistent approaches. The current culture is reactive, sometimes overly risk-averse, other times taking excessive risks, without sufficient systems or frameworks to support balanced decision-making. Resource and skills constraints further limit the capacity for effective scrutiny. Greater change management, and coherent improvement planning would assist embedding lessons learned.
- 6.16 The agreed high-level problem statement highlighted that a lack of transparency, scrutiny, and collective responsibility in decision-making, compounded by insufficient capacity and skills, has eroded trust between some Members and officers and blurred expectations of roles and responsibilities. Desired outcomes include timely, confident, and collectively owned decisions. They also include robust and transparent risk management, a culture where change and challenge are embraced, an effective internal audit function, and a commitment to continuous improvement.
- 6.17 Emerging objectives focus on redesigning the decision-making process in collaboration with all stakeholders. They include improving report quality and consistency, embedding a clear change management approach, developing and implementing a robust risk framework with defined appetite, strengthening internal audit oversight, and regularly reviewing governance culture to ensure progress. Outputs will include end-to-end process maps for committee decision-making, updated report templates, a change management plan, risk management framework and tools, training and awareness programmes, and mechanisms to assess cultural change and governance effectiveness.
- 6.18 The Governance workstream achieved a shared understanding of governance weaknesses and secured commitment to practical steps that will make decision-making more transparent, timely, and evidence based. By improving structures,

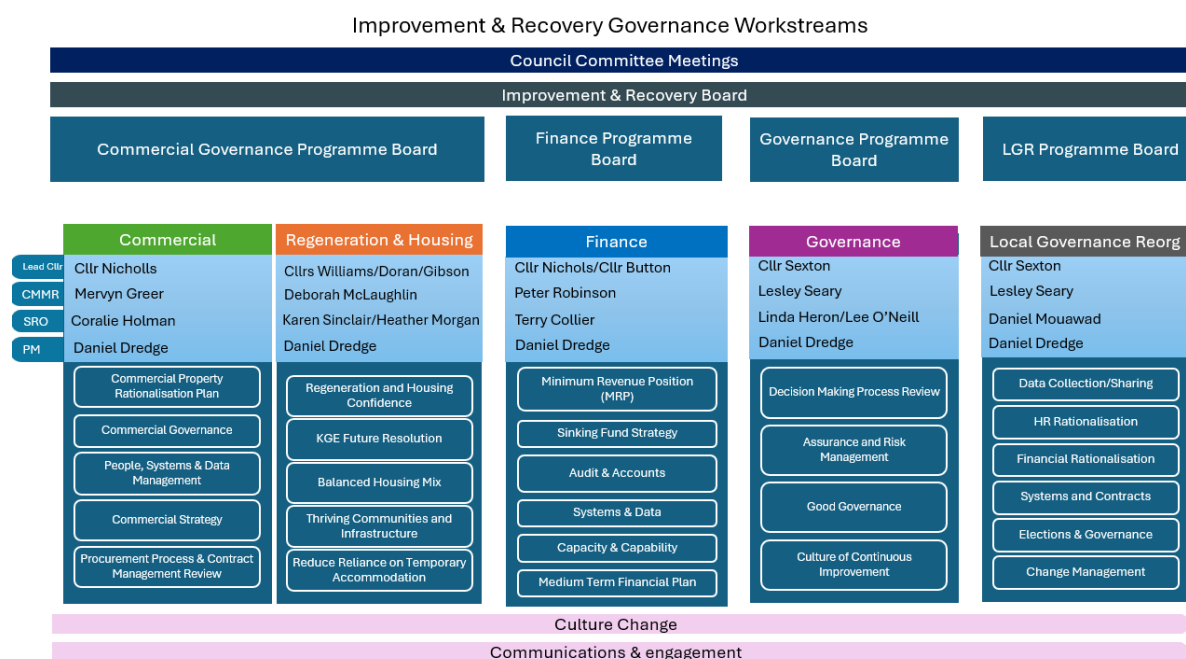
culture, and capability in parallel, the Council is progressing towards rebuilding trust, strengthening oversight, and delivering better outcomes for both the organisation and its residents.

- 6.19 **Regeneration and Housing Theme:** The Regeneration and Housing Theme focused on developing realistic and credible strategies for the Council's regeneration sites, housing delivery, and homelessness prevention. The strategic aim was to create a clear plan that increases housing provision (reduces homelessness and temporary accommodation reliance) and assesses the future viability of Knowle Green Estates (KGE). The scope of discussion included land use and commercial decision-making, valuation approaches, regeneration portfolio strategy, KGE's options, housing delivery aligned to the Local Plan, and homelessness services.
- 6.20 The workshop identified a range of interconnected challenges restricting delivery. Financial constraints including limited borrowing capacity and high holding costs limit direct housing development and affordability and reinforce the need to achieve outcomes on sites being held for housing purposes. Planning challenges surfaced around the need for effective masterplans, insufficient family-friendly designs, and community opposition, particularly in Staines. Internal delivery capacity was stretched by staff shortages, skills gaps, and conflicting priorities. Engagement with Registered Providers (RPs) and access to affordable housing funding remain limited. Environmental constraints such as flood risk and green belt protections reduce viable development opportunities. Market conditions and rising homelessness increase demand pressures, intensifying the complexity of meeting housing needs.
- 6.21 The agreed high-level problem statement recognised that financial limitations, planning complexities, capacity constraints, environmental restrictions, and underdeveloped partnerships collectively hinder the Council's ability to deliver coordinated and effective regeneration and housing solutions. Desired outcomes include trusted regeneration and housing delivery, a resolved future for KGE, a balanced housing offer meeting diverse resident needs, healthy, settled, well-served and thriving communities, and effective homelessness prevention.
- 6.22 The emerging outcomes provide a clear and structured approach to delivering the Council's regeneration and housing improvements. These include assessing the viability of key sites, designing a community engagement programme in connection with an Immediate Review of the Local Plan and any masterplans, developing masterplan delivery models, and producing a comprehensive options appraisal for Knowle Green Estates (KGE) along with a long-term financial viability assessment. Further objectives focus on strengthening collaboration with developers and Registered Providers through established plans, adopting the Spelthorne Design Code, developing an Infrastructure Delivery Plan, adopting the Local Plan, and reviewing homelessness prevention services. Ultimately, the programme aims to move towards meeting housing targets with the right mix of provision, make strong progress on the Immediate Review of the Local Plan, be moving towards adoption of any Masterplans and effectively manage the transition of KGE in line with broader local government changes.
- 6.23 The Regeneration and Housing theme achieved a shared understanding of the complex barriers facing regeneration and housing delivery and secured commitment to a structured, strategic approach. By aligning financial, planning, and partnership frameworks alongside strengthened delivery capacity and community engagement, the Council is making meaningful progress towards sustainable regeneration and housing outcomes.
- 6.24 **Local Government Reorganisation (LGR) Theme:** The LGR theme has been directly shaped by the Surrey Leaders and Chief Executives group actions and

decisions revolving around the necessary preparation for Structural Change Orders that will lead to the transition to unitarisation. Following a Statutory Consultation that ended in early August, Government is expected to announce the geography of the new Surrey unitary authorities by the middle of October. Statutory instruments will then be laid before Parliament in January 2026 setting the legal parameters to create the Shadow Authorities and conduct elections to them in May 2026.

- 6.25 LGR marks the most significant change to local government in the county in over 50 years, giving a once-in-a-generation opportunity to shape how decisions are made, services are delivered, and communities are represented. As such, the emerging LGR objectives provide a clear and structured approach to delivering transition and transformation for the residents of this Borough and across Surrey. Activity workstreams revolve around preparation for integration and harmonisation across a number of services alongside financial rationalisation and alignment.
- 6.26 LGR therefore demands a high degree of data collection through the LGR PMO in such areas as communications, elections, contract registers, housing services., HR baseline, website architecture and digital services. LGR by its very nature generates both risks and opportunities for constituent existing authorities and their workforce. The provision of training and support programme for colleagues to maximise the chance of successfully taking up opportunities is equally paramount and must be advanced in parallel with the necessary steps necessary to effect a smooth transition to unitarization.
- 6.27 **Consolidating All Themes:** A document consolidating all themes into Plans on a Page (POAP) was shared with theme leads and other stakeholders for information and feedback. This document included detailed descriptions of the key workstreams, and activities identified across each theme, alongside a slide outlining the IRP governance structure. The following slide illustrates how the various workstreams we have created align under the overarching intervention directions. While this is very much a work in progress and will require further refinement, it represents a positive and progressive step towards delivering the improvement required.

Illustration – IRP Governance



7. IRP Project Management

- 7.1 A dedicated PMO has been created with the activities emerging from the various themes managed using the Council's existing project management frameworks, which are based on PRINCE2, the recognised project management standard. This approach works well for the programme because it provides a clear and structured way to manage complexity while allowing flexibility as things evolve. We will adjust these frameworks where needed to suit the size and scope of the programme, making sure they remain practical and straightforward to use. A key focus will be on making reporting accurate and easy to understand, so everyone involved stays well informed about progress and any issues.
- 7.2 As part of the governance, Risks, Assumptions, Issues and Dependencies (RAID) logs will be created and maintained. These logs track Risks, Assumptions, Issues and Dependencies, helping us keep a close eye on potential challenges or uncertainties that could affect delivery. Having these logs in place means we will identify problems early and act before they escalate.
- 7.3 We will also have clear change control processes to manage any changes to scope, timing or resources. This ensures that any adjustments are carefully reviewed, properly approved and clearly communicated, reducing disruption and keeping the programme on track. Best practice principles will guide the management of the programme to ensure accountability and disciplined delivery.
- 7.4 We will use the Council's existing digital platforms alongside Microsoft Office Power suite applications such as Power BI; Power Automate and Power Apps. These tools are familiar to many of the team and are well suited for managing complex programmes because they offer good integration and powerful data visualisation. Using these platforms helps keep reporting transparent and up to date, allowing risks and issues to be flagged quickly and supporting timely, informed decisions.

8. IRP Board

- 8.1 The programme will continue to operate within the existing committee structure to ensure consistency, transparency and accountability. Strategic oversight will be provided by the IRP Board, which will play a key role in co-ordinating delivery across all thematic areas. An IRP Board has been established to have strategic oversight of the implementation of the Plan. The Board, whose Terms of Reference are attached in **Appendix C**, will be chaired by the Lead Commissioner with membership comprising of the Leader of the Council and the CEO amongst others.
- 8.2 The Board's responsibilities include aligning thematic plans with associated risks, resolving interdependencies between workstreams and ensuring that resources are prioritised effectively across the programme. In addition, the Board will prepare formal reports and recommendations to support informed decision-making at committee level. The governance structure will enable the Board to actively monitor the individual Themes and action plans. Interdependencies are being mapped and will be managed across the working groups and boards via the PMO. The Board will be there to recommend key changes to CPRC.

9. Risk Management Strategy

Successful delivery of each element of the IRP will be subject to a range of interdependencies between the themes within the IRP; the availability of sufficient financial resources; the ability to recruit or procure appropriately skilled staff within the required timescales; decision making within the updated governance framework; clear, consistent political direction and prioritisation; and no barriers to progress arising from Local Government Reorganisation and Section 24 Directions.

The risk management significance of such interdependencies is such that the above also features in the IRP.

10. IRP Delivery

10.1 Corporate Strategy

The deliverables outcomes set out in this IRP will achieve long-term sustainable improvements in how the Council operates and is able to transition to a new unitary authority as part of Local Government Reorganisation. As this work takes priority, this impacts on the Council's ability to deliver all the objectives in the current Corporate Plan which will need to be refreshed and prioritised in the light of the diminishing resources and window of sovereignty for Spelthorne Borough Council.

10.2 Engagement and Consultation

10.3 It is vital that the Council effectively engages Members and staff to drive organisational changes. The Council is briefing and engaging Members through a variety of channels including the fortnightly All Councillor Briefings regarding the need to adopt and embed the IRP going forward. The Council has around 450 members of staff, many of whom work on the frontline, and internal communications and presentations at monthly staff meetings will support staff to understand the relevance of the IRP relevance to their day-to day work, alongside the priorities of the Council's Corporate Plan.

10.4 The IRP will, once adopted, be published on the Council's website. The progress reports that will be produced quarterly to the Commissioners will also be published on the Council's website. A communications plan to keep staff, residents, partners, businesses and stakeholders informed will run in parallel.

11. Financial implications

11.1 Intervention is a costly business, circa £750,000 has been allocated in this year's budget covering both cost of Commissioners and bringing in additional expertise to undertake specific tasks. If the Council fails to take appropriate action to meet the requirements set out in the Government Direction, or the Commissioners appointed by the Secretary of State do not have sufficient confidence that appropriate actions are being taken to implement and sustain the required improvements, then the Council risks not having appropriate arrangements in place to comply with its best value duty under Part 1 of the 1999 Act. This could lead to further Government intervention and further increased costs.

11.2 An IRP Risk Register will be maintained which will underpin the Council's Strategic Risk Register. This will be reported alongside the quarterly reports to both CPRC and to the IRP Board as well as the senior management team.

11.3 In the development of the IRP's workstreams, the review of the resources necessary to deliver will need to be undertaken and presented to CPRC and Council as part of the 2026-27 budget – the final budget that the authority will have sovereignty over.

As part of addressing the BV Directives, there will be a need to find significant Budget savings as part of the 2026-27 Budget. Once the Medium-Term Financial Planning work is completed in early autumn this will enable the quantum of savings required to be firmed up. In order to balance the Budget additional savings will need to be made to cover the additional intervention related costs. This will necessitate some challenging prioritisation decisions for the Council.

- 11.4 Where existing capability exists, resources from within the Council will be reallocated or reshaped to deliver the actions in the IRP through re-prioritisation. However, where the resourcing review identifies gaps, additional specific finance will need to be called upon to provide the capacity for the organisation to focus on improving performance and deliver transformation of services ahead of the LGR transition in April 2027.
- 11.5 In some limited cases, other Surrey LGR Councils (depending on unitarization geography) may be able to provide support or advice. In other cases, additional expertise will be provided by contractors and consultancy support, this for example has happened in the Finance and Commercial themes. The Local Government Association has also identified areas where its support can be provided. These will be funded from the Transformation Fund rather than the General Fund.

12. Legal comments

- 12.1 Legal implications are set out in the body of the report.

Corporate implications

13. S151 Officer comments.

- 13.1 *The Best Value Directives require the Council to put in place:*

- a) plan to achieve financial sustainability and to identify and close any short and long-term budget gaps across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan that reflects the costs and risks identified in the BVI report and by external auditors.

- b) A plan to ensure the Authority's capital, investment and treasury management strategies are sustainable and affordable, including an asset rationalisation programme for assets and commercial investments.

- c) A comprehensive and strict debt reduction plan, demonstrating how overall capital financing requirement and external borrowing will be reduced over a realistic but expedient timescale, reducing debt servicing costs.

- d) A plan to review and update the sinking fund, taking a long-term view of potential risks and financial consequences with accurate income and expenditure forecasts, and with adequate provisions made for future costs.

- e) A plan to ensure the Authority is complying with all relevant rules and guidelines relating to the financial management of the Authority, including updating the minimum revenue provision (MRP) policy.

- f) A plan to reconfigure the Authority's services commensurate with the Authority's available financial resources.

- h) A plan to strengthen the Authority's financial and commercial functions, and to secure improvements in risk management, governance and the internal audit function, with the guidance and to the satisfaction of the Commissioners.

- 13.2 It can be seen from the above that ensuring financial sustainability and certainty is a key driver for the intervention and is necessarily a key focus for the IRP. Addressing these issues are particularly important in the context of Surrey LGR and the need to provide assurance to stakeholders. As a Surrey borough council facing the risks of adverse impact of Local Government Reform taking effect in 2026-27, are already significant and added to this will be the impact of moving away from reliance on income from the Council's investment assets to support the Revenue Budget. It is therefore important that the Council embraces the financial related elements of the IRP to help position it to deliver a financially sustainable medium-term future.
- 13.3 As the report highlights there will be a need to incur additional expenditure across the Themes to bring in additional resource and expertise to ensure that the IRP outcomes are delivered. Each theme will have a supporting resource budget worked up which will feed into the 2026-27 Budget.
- 13.4 As the statutory Chief Finance Officer (S151) I will be the Senior Responsible Officer for ensuring the delivery of the Finance Theme within the IRP.

14. Monitoring Officer comments

The Council is obliged to meet its statutory duties and continue to make decisions in accordance with public law principles. It is anticipated that the IRP outlined in this report will support the Council meet its statutory obligations.

15. Procurement comments

- 15.1 All contracts associated with and ancillary to the workstreams under the Improvement and Recovery Plan must be procured in accordance with the Council's Contract Standing Orders.

16. Equality and Diversity

- 16.1 The successful delivery of this Improvement and Recovery Plan will require the development and review of many of the Council's services. These will include an Equality Impact Assessment where appropriate prior to decisions being made.
- 16.2 The staffing changes as a result of the Organisational Redesign are being carefully managed and a formal consultation approach is being taken. Full equality impact assessments are being carried out as part of this process.

17. Sustainability/Climate Change Implications

- 17.1 Maximising use of our assets provides opportunities for financial, social and environmental considerations in our actions especially with increasing risks of climate change and the need to adapt. Evaluating and improving our actions and gaining efficiencies in terms of operations can result in carbon savings. Therefore, actions within the IRP should take account of the future impacts of climate change as well as taking mitigating actions.

18. Other considerations

This report sets out the Council's response to the Secretary of State's Best Value Directives since receiving them on 8 May 2025. As such, the report doubles as an update for Commissioners on the actions taken by this authority over the first 3-4

months of its improvement journey. Whilst all Directives have definitive work streams encapsulated in a single IRP framework, the pace and scope of Local Government Reorganisation will inevitably be a defining overarching theme. The corporate ability to retain staff capacity through transition is an unknown and yet to be experienced consideration. This and wider resource considerations will be further addressed by way of a post IRP adoption report to CPRC on 1 December 2025.

19. Timetable for implementation

19.1 IRP approved by Council 22 October 2025.

19.2 IRP Resourcing Plan approved by CPRC 1 December 2025.

20. Contact

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Please submit any material questions to the Committee Chair and Officer contact two days in advance of the meeting.

Background papers: There are none.

Appendices:

A: Secretary of State BV Directions
B: Improvement and Recovery Plan
C: IRP Board Terms of Reference.