

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	YES	03/02/06
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	YES	09/02/26
Relevant Group Head review	YES	05/02/26
MAT+ review (to have been circulated at least 5 working days before Stage 2)	NO	
This item is on the Forward Plan for the relevant committee	YES	03/02/26
	Reviewed by	
Finance comments (circulate to Finance)	AB	05/02/26
Risk comments (circulate to Lee O’Neil)	LO	04/02/26
Legal comments (circulate to Legal team)	LH	05/02/26
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	05/02/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	05/2/26
Confirm final report cleared by MAT		

Corporate Policy and Resources Committee

17 February 2026

Title	Revised Improvement and Recovery Plan
Purpose of the report	To make a decision
Report Author	Ruth Adams, Interim Programme Director
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	NA
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to: (i) approve the revised Improvement and Recovery Plan
Reason for Recommendation	<p>The original Improvement and Recovery Plan, approved by Council in October 2025, was developed in response to the statutory Directions of the Secretary of State. It primarily focused on the need to “diagnose and stabilise,” addressing the immediate challenges of financial stability, commercial management, regeneration and housing, governance, and LGR readiness through a programme of recovery actions.</p> <p>A revised plan has now been drafted in recognition of the need to transition from this initial phase to accelerate the pace of improvements required to rebuild the confidence of government, stakeholders, residents and partners in the emerging West Surrey Council.</p> <p>Approval of changes to the plan was delegated to Corporate Policy and Resources Committee (CPRC), and this revised version aims to move the Council from recovery towards sustained improvement.</p>

1. **Executive summary of the report** *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
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<ul style="list-style-type: none"> This report sets out the rationale for the proposed changes in the Improvement and Recovery Plan. 	<ul style="list-style-type: none"> The proposed revisions reflect the changed focus from recovery to improvement. The revisions will enable the Council to provide assurance to Commissioners, Government, the new West Surrey Shadow Council and our Councillors and employees that the Council has a deliverable plan to improve and be self-governing, fulfilling its best value duty in the shortest time possible.
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> Seek CPRC approval of this revised plan which prioritises actions over the coming year with a continual and clear focus on improvement in leadership, culture, service delivery and the governance and financial management environment. 	<ul style="list-style-type: none"> Once approved this will be reflected in the ongoing monitoring arrangements and reported to Audit Committee for further assurance on the approach being taken.

2. Key issues

- 2.1 The Council's response to the Secretary of State's Best Value Directions, issued in May 2025, was the creation of a single Improvement and Recovery Plan (IRP). This plan was intended to provide the organisation with a clear direction for its improvement journey and a single framework for ensuring that all of the Directives were addressed.
- 2.2 The original plan was approved by Council on 23 October 2025. Authority was delegated to the Corporate Policy and Resources Committee (CPRC) to approve any changes to the IRP as part of regular reporting arrangements, as it was anticipated that updates would be required to reflect the evolving nature of the programme.
- 2.3 The original IRP was built on the specific requirements set out in the statutory Directions and the recommendations of the Commissioner Team. It brought together various plans and programmes, including the Best Value Inspection, the Grant Thornton 2023/24 audit report, and the Chartered Institute of Public Finance and Accountancy (CIPFA) Capital Assurance Review.
- 2.4 The IRP was designed as a multi-year plan, recognising that some elements may, by necessity, extend beyond the life of the Council. Since its approval, the timescales for local government reorganisation have been confirmed as April 2027. Underpinning all aspects of our improvement work is therefore the need to ensure a successful transition to the new West Surrey Council.
- 2.5 Our initial IRP predominantly focused on the requirement to 'diagnose and stabilise', addressing the immediate challenges of financial stability, commercial management, regeneration and housing, governance, and LGR readiness through targeted recovery actions. We now recognise the need to

transition from this initial phase to the ‘transform and embed’ phase, accelerating the improvements required to rebuild the confidence of government, stakeholders, residents, and partners in the emerging West Surrey Council.

- 2.6 Defined workstream activities were extracted and timelines developed, with progress tracked and risks and delays identified. The initial recovery priorities focused on immediate actions required to stabilise the Council. Since the Directions were issued, considerable progress has been made against these recovery-phase actions. Reporting has predominantly focused on these actions rather than on progress towards higher-level outcome achievements or the sustainability of improvements. This has resulted in limited assurance being provided to Commissioners and Councillors through the Improvement and Recovery Board. Once this gap in expectations was identified, it was recognised that it needed to be remedied quickly, leading to the prompt development of the revisions being proposed.
- 2.7 The original thematic elements and their intended outcomes have therefore been retained but rephrased to refocus attention on the tangible improvements required by the Directions. This alignment is illustrated in below:

Previous IRP Themes	Revised IRP Priorities
Local Government Reorganisation	Strengthening and Improving Leadership
Financial Recovery	Improving Financial Sustainability
Governance	Improving Governance and Assurance
Commercial	Improving Commercial, Regeneration and Housing
Regeneration and Housing	

- 2.8 The revised Plan has been shared with theme leads, stakeholders, and Councillors Sexton, Boughtflower and Button, as members of the IRB, for information and feedback. The revised Plan was discussed at the Improvement and Recovery Board and agreed for recommendation to CPRC for approval. An assurance update is being provided to the Audit Committee in February. If CPRC accepts the revised Plan, a further discussion on the reporting processes against the new Plan will take place at the March Audit Committee meeting. The six-monthly progress report for the Commissioners is due to be submitted by April 2026.
- 2.9 To track our progress, we have developed an evaluation framework to enable both quantitative and qualitative assessment of our improvement and recovery. This approach recognises that while some aspects of improvement are measurable (such as the implementation of correct policies or performance indicators), others will require evaluative judgement on how effectively the Council has improved.
- 2.10 The revised Plan also sets out our approach to independent assurance of progress. This will include openness to external review, independent validation and testing such as reviews by the Commissioners, independent stakeholder surveys, and engagement with subject matter experts.
- 2.11 Once approved, the monitoring processes underpinning the programme will be updated to reflect this change in focus and incorporated into monthly

reporting to the Board, with additional oversight from the Audit Committee to ensure assurance around this revised approach.

- 2.12 Through the existing governance arrangements, any further changes to the IRP will be captured and recommended by the Improvement and Recovery Board for approval by the Corporate Policy and Resources Committee.

3. Options appraisal and proposal

- 3.1 The preferred option is for the refocused Plan to be approved to demonstrate our commitment to continually learning and improving; initiate monitoring of improvement activity at pace and provide assurance to Commissioners, Government, the new West Surrey Shadow Authority and our Councillors and employees that the Council has a deliverable plan to improve and be self-governing, fulfilling its best value duty in the shortest time possible.
- 3.2 Further consultation on the contents of the refocused Plan could be undertaken to co-create the second iteration of the Plan using the same approach as the first. This is not recommended due to the tight delivery timescales and concerns about engagement with the process will be mitigated through an enhanced communications plan due to be launched.
- 3.3 Doing nothing is not an option if the Council is to fulfil its best value duty in the shortest time possible, as the current approach (while suitable for the initial recovery phase) has been shown to require refinement in order to support sustained improvement.

4. Risk implications

- 4.1 Risk relating to the IRP will be managed through the Council's new governance assurance arrangements with '*Ensuring there are effective governance arrangements in place to deliver the IRP*' and '*Ensuring and maintaining organisational resilience*' forming two of the Governance Assurance areas which will be monitored and reported on through the Council's new Governance Assurance Register.

- 4.2 Risk 1: The improvement requirements are not engaged with by staff across the organisation resulting in capacity and capability strain, inconsistent delivery across the organisation and tactical rather than sustained improvements being made which risks regression once oversight reduces.

Mitigation: As part of the implementation of the revised Plan is a communication plan to raise the profile of the Plan within the organisation, integrate with individuals' objectives and celebrate success. The revised approach collates both quantitative and qualitative assessment of our improvement and recovery as well as assurance of progress.

- 4.3 Risk 2: The organisation does not have the capacity or skills required to deliver the Plan especially alongside the demands for preparing for transition to West Surrey.

Mitigation: Monthly highlight reporting from each priority SRO offers the opportunity to raise resource capacity or skills gaps as an emerging risk. Consideration would then be given to effectively utilise the funding available

for these programme to either resource additional support or commission expertise as required.

4.4 Risk 3: Erosion of stakeholder confidence or risk to future relationships and partnerships

Mitigation: The revised IRP seeks to accelerate the pace of improvements required to rebuild the confidence of government, stakeholders, residents and partners in the emerging West Surrey Council. This will be supported through sharing our improvement progress evidenced by external review and independent validation and testing

4.5 Risk 4: If the revised approach with the IRP does not adequately address requirements or evidence progress then the Council may be deemed as non-compliant with the Directions.

Mitigation: As has occurred to date the monthly Improvement and Recovery Board monitoring will highlight whether reporting has improved to provide required the assurance.

5. Financial implications

5.1 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.

5.2 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.

5.3 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.

5.4 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.

- 5.5 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.
- 5.6 As identified in the risks section, ensuring appropriate resourcing will be critical to delivery against the IRP. This is particularly so given the need at same time to resource the LGR transition to West Surrey. Across a number of service budgets provision has been made for additional resource and £566k of this has been capitalised and will be financed through application of the Flexible Use of Receipts Strategy. A Budget of £490k has been built into the 2026-27 Draft Budget for Commissioners, based on the average number of days claimed to date. As highlighted above the IRP has provided a focus on building in savings in the 2026/27 Budget.

6. Legal comments

- 6.1 The Council has a statutory Best Value Duty, and more particularly a duty to secure continuous improvement under the Local Government Act 1999.
- 6.2 Adoption and implementation of the updated IRP demonstrates that the Council is taking steps to address areas of concern identified in the Secretary of State's Best Value Directions.
- 6.3 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.

Corporate implications

7. S151 Officer comments

- 7.1 The need to incur additional expenditure across the Priorities to bring in additional resource and expertise to ensure that the IRP outcomes are delivered remains unchanged from the original Plan. Each theme has a supporting resource budget worked up which has fed into the 2026-27 Budget, with £566k of this expenditure capitalised and funded through the application of the Flexible use of receipts strategy.

8. Monitoring Officer comments

- 8.1 The Monitoring Officer confirms that all relevant legal implications have been taken into account.

9. Procurement comments

9.1 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.

10. Equality and Diversity

10.1 The successful delivery of this revised Improvement and Recovery Plan will require the continued development and review of many of the Council's services. These will include an Equality Impact Assessment where appropriate prior to decisions being made.

11. Sustainability/Climate Change Implications

11.1 As highlighted when the original Plan was considered maximising the 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.

12. Other considerations

12.1 None.

13. Timetable for implementation

17 February 2026	Approved by CPRC
3 March 2026	Revised reporting at Improvement and Recovery Board
26 March 2026	Consideration of reporting process at Audit Committee

14. Contact

14.1 *Ruth Adams, Interim Project Director*
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***Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.***

Background papers:

- Secretary of State for Housing, Local Government and Communities Best Value Directions dated 8 May 2025
- Council report dated 25 October 2025 seeking approval of Improvement and Recovery Plan including IRP Board Terms of Reference

Appendices:

A: Revised Improvement and Recovery Plan