

Report to Audit and Risk Assurance Committee

23 November 2023

Subject:	Improvement Plan Progress
Director:	Chief Executive Shokat Lal
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1. Recommendations

- 1.1. That Audit and Risk Assurance Committee considers and comments upon the progress of the Improvement Plan and the Risk Register up to 1 November 2023.
- 1.2. That any recommendations or comments in relation to 1.1 above are reported to Cabinet.
- 1.3. That the Committee considers any additional areas of focus for its work plan.

2. Reasons for Recommendations

- 2.1 This report provides a quarterly update on progress against the Improvement Plan agreed by Council on 7 June 2022. The Improvement









Plan incorporates all recommendations from the Grant Thornton Governance Review, the LGA (Local Government Association) Corporate Peer Challenge and the CIPFA (Chartered Institute of Public Finance and Accountancy) Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.

- 2.2 On 28 June 2022, Audit and Risk Assurance Committee received the Improvement Plan and accompanying risk register and requested regular updates on progress. This report is the sixth quarterly progress report to Audit and Risk Assurance Committee.
- 2.3 As part of the governance and assurance arrangements for the Improvement Plan, Audit and Risk Assurance Committee and Budget and Corporate Scrutiny Management Board review progress of the Improvement Plan and utilise the plan for work programming purposes. Both Committees are due to consider progress at their meetings in November and any recommendations or comments will be presented for Cabinet's consideration.
- 2.4 As part of the council's assurance framework for the Improvement Plan, the LGA, Grant Thornton and CIPFA conducted follow-up reviews in Autumn 2022 to evaluate the council's progress on implementing the specific recommendations from those individual reviews. The responses to the findings from the follow-up visits from Grant Thornton and the LGA were reported to the Committee in March 2023. The response to the CIPFA FM Model Re-Assessment Report was reported to Committee in June 23.
- 2.5 The findings from the follow-up visits from Grant Thornton, LGA and CIPFA are incorporated into a refresh of the Improvement Plan which has been managed through the established change control process.
- 2.6 The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes. Changes to the Improvement Plan are tracked through programme management mechanisms.
- 2.7 Under the Statutory Directions, the council is required to report progress against the Improvement Plan to the Department of Levelling Up, Housing and Communities every six months. Reports have been submitted in December 2022 and June 2023. With the third report due December 2023.



3. How does this deliver objectives of the Corporate Plan?

3.1 Sandwell Council’s Improvement Plan focuses on the governance arrangements of the council and areas of improvement across the organisation. The underpinning objective of the Improvement Plan is to ensure that the council can deliver on the aims and priorities as set out in the Corporate Plan. The deliverables set out in this Improvement Plan will achieve long-term sustainable improvements in how the council operates and is able to make effective decisions focused on improving outcomes for residents and experiences of service users. Therefore, this impacts on the council’s ability to deliver all the objectives in the Corporate Plan.

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell

4 Context and Key Issues

1.1 Background

1.1.1 A single Improvement Plan was agreed by Council on 7 June 2022 to address recommendations from a Value for Money Review into the council’s governance arrangements, a CIPFA financial management review, an LGA Corporate Peer Challenge, and Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities. The single Improvement Plan replaced the Governance Review Improvement Plan which was approved in January 2022.



1.1.2 To ensure that senior officers and members have oversight of delivery against the Improvement Plan, Council approved that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly. This will continue until all actions have been completed, or changes have been embedded into business as usual management mechanisms.

1.1.3 This report is the sixth quarterly update to Audit and Risk Assurance Committee on progress of the Improvement Plan.

1.2 Improvement Plan Progress

1.3 Over the three months to 1 November, we have continued to deliver at pace and embed changes. We are seeing more evidence of the impact of our improvements. We have received an Area SEND inspection and have now moved up a level, we achieved a key milestone with the signing of our 2020-2021 accounts, and implemented our Asset Management System providing the tools for us to address an area of concern previously raised by external reviewers.

1.3.1 A comprehensive monitoring tool has been developed which includes a progress status rating for all actions. The monitoring tool provides quick reference around which actions are on track for delivery, as well as highlighting areas that may require remedial action or additional levels of assurance. The Improvement Plan Monitoring Tool is included at Appendix 1.

1.3.2 Progress against each theme of Improvement Plan is contained within Appendix 2. This includes a description of workstream progress including progress against milestones and achievements, and any progress issues. A summary by theme is provided below.



1.4 Organisational Culture Theme

1.4.1 Achievements this quarter:

- Proposal of new approach to Employee Performance Review presented to Trade Unions to further embed the One Team Framework
- Forward plan of all Member briefings is in place for the next three sessions to ensure topics covered are relevant and timely.
- Social media policy completed with engagement/support of Trade Unions

1.4.2 Organisational Culture Progress Issues:

- **New Member Survey conducted, and any required amendments made to Member Development Programme (MDP)/New Member Induction programme**
 - Lower than expected return rate for New Member survey means results cannot be relied upon.
 - Members have been completing analysis after each training session.
 - Further analysis of these will be undertaken and this, along with findings from face-to-face Member sessions on the Member-Officer relationship and engagement with LGA will be used to inform the Autumn review of MDP and inform new Member induction for 2024-2025.
 - Review will commence in November.
- **Governance Training and Development**
 - 23 attendees completed Decision making training in October for key decision makers which included scenario-based learning on procurement and financial regulations, Training material and guidance available to all staff on intranet.
 - Regarding broader scenario-based learning, Officers involved in pulling training across finance, procurement and governance have undergone significant changes of personnel.
 - Next step is still to bring a new project team together to agree training detail and to diarise. Amber rating reflects need to bring project group together and progress the planning.



- **Delivery of Directorships and Trusteeships Training**

- Training carried out 31 October, 20 members attended along with 5 officers. The training session was recorded and will be made available for others to view. This training will be delivered annually. Amber rating reflects that training date is later than originally intended.
- The reason for the exception report is that training date is later than originally intended of July 2023.

1.5 Corporate Oversight Theme

1.5.1 Achievements this quarter

- Oracle Fusion approval for Gateway 2 Exit from Modelling phase for HR and Payroll
- Oracle Fusion system configuration for Finance, Procurement and EPM complete
- Q1 monitoring to Leadership Team, Scrutiny and Cabinet
- Workforce development plan skills gap analysis and training programme complete
- Corporate Debt Policy agreed
- 2020/21 accounts signed off by external auditor with no qualifications
- Verto project management software user acceptance testing complete

1.5.2 Corporate Oversight Progress Issues:

- **Develop a Continuous Improvement Framework**
 - Service planning approach developed to build corporate agendas and improvement areas into business planning discussion - evidence bundle to include performance, resident feedback, internal audit and risk management to identify improvement activity at service level.
 - Business planning workshops scheduled for November and December 2023.



- Approach to be reviewed in early 2024 following completion of workshops and business plans; continuous improvement built into service planning and performance management framework.
- **Directorate level restructuring and review of Spans and Layers- On hold**
 - Senior Leadership Team structure approved at Full Council 24/10/23 and analysis of spans and layers due to be discussed by senior officers in November 2023.
 - The new roles have gone out to advert on 9th November 2023 and a recruitment timetable is in place.

1.6 Strategic Direction Theme

1.6.1 Achievements this quarter

- Corporate Procurement Strategy action plan finalised
- Refreshed Corporate Procurement Strategy approved
- Corporate Narrative engagement carried out with stakeholders from across the organisations
- Contract commenced on Stock Condition Surveys for housing stock
- Equality, Diversity & Inclusion draft audit presented to Leadership Team
- Equality objectives approved

1.6.2 Strategic Direction Progress Issues

- **Customer Journey Strategy**
 - Customer engagement sessions need to take place but due to resourcing issues an external partner will be required.
 - Director of Finance along with Assistant Chief Executive has agreed funding will be provided for external support to produce Customer Engagement Strategy, due to limited resources and other commitments.
 - Specification work commenced but in early stages.



- The reason for the exception report is that there is a need to procure a delivery partner and delivery will take a longer time period than was originally planned.

1.7 Decision Making Theme

1.7.1 Achievements this quarter

- Scrutiny Committee's Annual Report presented to Council 24 October 2023

1.7.2 Decision Making Progress Issues

- No issues in this theme

1.8 Procurement and Commercial Theme

1.8.1 Achievements this quarter

- SEND Transport Project team members identified, launch meeting scheduled.
- Completion of Phase 2 Tech Forge Asset Management System implementation

2 Procurement and Commercial Progress Issues:

- **Performance Management System: Options Appraisal**

- A performance management system is being explored to support improved business intelligence across the council and facilitate reporting within the performance management framework.
- The reason for the exception report is that the original timescales to bring forward an options appraisal have been pushed back due to supplier availability for system demos. The final system demo was held August.
- Options appraisal and business case are being finalised, further engagement with service areas being conducted to refine requirements.



2.1 Partnerships and Relationships Theme

2.1.1 Achievements this quarter

- Transitions Projects: Review of the transition from children's' to adults' services Benchmarking findings report complete and draft shared with Corporate Transformation Manager.

Partnerships and Relationships Progress Issues

- **Sandwell Childrens Trust- KPI's (along with accompanying tolerances) implemented in Q2**
 - KPIs and tolerances are currently under review by the DfE appointed independent chair of the SCT Improvement Board and in negotiation with the DCS and CEO of SCT.
- **Consultation on VCS Draft Strategy**
 - Annual report on 2022/23 grants produced and shared with Leader, Cabinet Member for Communities and Chair of Budget & Corporate Scrutiny Management. Further work in progress to develop approach for wider VCS engagement.
 - Relationship with VCS continues to be positive - second Cost of Living Summit involved 30 local partner organisations to launch the joint Tackling Poverty Plan

3 Statutory Recommendations

- 3.1 The Grant Thornton Value for Money Governance Review 2021 included three statutory recommendations (appendix 3) that the council has a legal obligation to respond to. These recommendations are incorporated into the single Improvement Plan and are embedded across each of the six themes.
- 3.2 In their follow up review 2022, Grant Thornton recognised progress against all three statutory recommendations.
- 3.3 **Statutory Recommendation 1** - It is imperative that senior officers and senior members take effective corporate grip of long-standing service issues highlighted by the findings in this report (including SLT, SCT (Sandwell Children s Trust), the waste service, the ERP system, and



Lion Farm) and prioritise corporate effort in managing the issues identified and embed the solutions into the Council.

Progress update:

- Continuing to implement strategies to address the service issues highlighted in the Grant Thornton report.
- Sandwell Leisure Trust – agreement reached to extend SLT’s operation of leisure centres to March 2027.
- Handover of Sandwell Aquatic Centre to SLT
- Sandwell Children’s Trust – Governance arrangements remain in place. Joint work in place with SCT in relation to corporate parenting and early help. Revised contract commenced April 2023
- Waste Contract – Contract Monitoring framework progressing well and embedded in PMF (Performance Management Framework) reporting. Review of the Contract is complete.
- ERP (Oracle Fusion) – support provider in place and implementation commenced. Project Management and Governance arrangements are in place.
- Regeneration Strategy and Pipeline to underpin significant regeneration in Sandwell approved by Cabinet 23 March 2022. Monitoring provided to Cabinet in November 2022 and July 2023.

3.4 **Statutory Recommendation 2** - The Council must ensure that the learning in relation to commercial decisions, procurement and contract management highlighted in this report are understood through the organisation.

Progress Update

- The first phase of the Governance Review has completed with the Constitution refresh.
- Corporate Governance Training - Programme of training and development commenced in September 2022 on effective decision-making, good governance, and revised contract procedure rules. Next phase of Corporate Governance Development is being rolled out during 2023-2024.
- Commercial Strategy approved in March 2023.
- Corporate Asset Management Strategy approved by Cabinet in November.
- SEND Transport lessons learnt completed and shared with Wider Leadership Team



3.5 **Statutory Recommendation 3** - Senior leadership, both officers and members, must demonstrate that they can continue to work together effectively, that they operate in line with the Council's values, codes, policies, and procedures, and that there is zero tolerance to inappropriate behaviours. This includes changing the organisational culture in relation to complaints so that they restore balance and proportionality.

Progress Update

- Member Development – New Member induction arrangements are in place. Member Development Programme is being regularly reviewed by Ethical Standards and Member Development Committee. Member Handbook created for Municipal Year 2023-24.
- Officer Development – A consolidated programme of fundamental training for managers on Corporate Governance matters has commenced. A broader Management Development Programme will be rolled out in 2023 following the approval of the Workforce Strategy.
- Organisational Culture – Extensive engagement held to inform the One Team Framework (Values and Behaviours) which was approved in March 2023. Values and behaviours launched.
- Meeting structures to facilitate Cabinet Member and Leadership Team cross-working in place and meeting needs.

4 Specific Recommendations from External Reviews relating to Audit

- 4.1 The Statutory Directions set out that the Council must secure improvement in relation to the proper functioning of the scrutiny and associated audit functions.
- 4.2 In their follow-up review in Autumn 2022, Grant Thornton commented on the positive progress to improve the culture and professionalism of key Council committees and commenting that the Audit Committee has continued to operate throughout the year in a manner focussing on significant governance matters.
- 4.3 In the original Value for Money Governance Review (2021) Grant Thornton set out four recommendations that relate to scrutiny and audit. Grant Thornton made an additional recommendation relating to audit in their 2022 follow-up review relating to the Executive confirming their position on historic matters. Appendix 4 sets out an overview of progress



against the recommendations made by Grant Thornton in relation to scrutiny and audit.

5 External Reviews

- 5.1 External assurance continues to play a part in our improvement journey to monitor our progress in addressing the recommendations made through external reviews. Grant Thornton, LGA and CIPFA conducted follow up reviews in late 2022. Audit and Risk Assurance Committee received the follow up review reports in January 2023.
- 5.2 Reports from Sandwell's Commissioners have been submitted to the Secretary of State on a six-monthly basis. In their June 2023 report, Commissioners noted the considerable progress made over the first fifteen months of the intervention towards addressing the significant challenges facing the authority. In their third report, the Commissioners outlined that their focus over the coming months will be in the following areas:
- Developing the strategic capacity of the organisation
 - Implementation and embedding of the council's values and behaviours (One Team Framework)
 - Establishing a comprehensive transformation programme linked to the delivery of the medium-term financial strategy
 - Approval of the 2020/21 accounts by the external auditors and a clear timetable for approval of the 2021/22 accounts
- 5.3 Grant Thornton returned to Sandwell in October 2023 to conduct a further follow up review and monitoring the council's further progress in addressing the Statutory Recommendations made in 2021 and the additional key and improvement recommendations made in 2022. Following the receipt of the second follow-up report, the Improvement Plan will be reviewed to ensure the council is addressing any further recommendations at either corporate level or within 'business as usual' mechanisms. Changes to the Improvement Plan will be reported to members through the normal quarterly reporting schedule.



6 Changes to the Improvement Plan

- 6.1 The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes.
- 6.2 The Improvement Plan report to Council in June 2022 set out that changes (which may include the addition of new workstreams or objectives, or the amendment of timescales for delivery of actions) will be tracked through programme management mechanisms and that Cabinet will retain oversight of changes through regular formal reporting.
- 6.3 The list of all changes is provided in Appendix 5. Where new actions have been added to the Improvement Plan, these are displayed within the monitoring tool with red font colour.
- 6.4 The changes made are summarised below.
- 3 changes made to action delivery timescales (with 1 being more than three months)
 - 1 assurance action has been added
 - 7 sub-actions have been added (marked in red within IP).
 - 4 main actions are proposed to be closed (2 action closures will result in closure of workstream)
 - 3 Assurance actions are proposed to close
 - 3 changes to delivery lead

7 Risk Management

- 7.1 The Improvement Plan Risk Register underpins the council's strategic risk relating to the council's Improvement Plan (59a 02/22) and is currently rated as an overall Amber risk. The risk register is reported monthly to Leadership Team and quarterly to Cabinet and Audit & Risk Assurance Committee.
- 7.2 The current risk register is attached as Appendix 6. The main risks are associated with:
- **Resources** – for delivery of key components of the plan including the corporate programme management office. The financial resources



required have been identified and were approved by Council in June. To provide additional capacity across improvement activities, the Improvement Reserve is being used to fund graduate placements within the National Graduate Development Programme which will commence from September 2023.

- **Communication** – to ensure everyone is aware of their respective roles and responsibilities. Communication is taking place through a range of methods including briefings, live events, and regular messages.
- **Investment and Financial Resources** – to ensure financial resources are made available resource gaps/ pressures associated with the Improvement Plan have been identified
- **Constitutional Changes**- If key governance changes (agreed during 2022) are not embedded throughout the organisation then opportunities will be missed. First round of training has been delivered along with revised templates and guidance. Phase 2 of the Corporate Governance Review is underway, and this will focus on embedding the constitutional changes

7.3 Since the last report to Audit and Risk Assurance Committee, no risks have reduced.

7.4 Since the last quarterly report to Audit and Risk Assurance Committee, no risks have been closed.

8 Reporting Framework and Governance

8.1 To ensure that senior officers and members have oversight of delivery, Council approved the reporting mechanism for the Improvement Plan in June 2022. This set out that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly until all actions have been completed, or changes have been embedded into business as usual. The diagram included at Appendix 7 sets out the governance framework.

8.2 The Government Directions require reporting on the delivery of the Improvement Plan at six monthly intervals to the Secretary of State from the council and the Commissioners. Reports have been submitted in December 2022 and June 2023. The next report is due December 2023



- 8.3 Member-led committees, such as the Governance & Constitution Review Committee, Audit & Risk Assurance Committee and Scrutiny Committees, are used for providing a steer and maintaining oversight of the actions and implementation of the Improvement Plan.
- 8.4 The Governance & Constitution Review Committee and cross-party Working Group have been integral to the development and review of the governance documents, ahead of decisions taken by Council last year.
- 8.5 Audit & Risk Assurance Committee receive quarterly updates on the Improvement Plan and the Improvement Plan Risk Register.
- 8.6 Budget & Corporate Scrutiny Management Board has included several elements of the Improvement Plan on their work programme as well as regular reports on overall progress. This has included a ‘deep dive’ focus on the work under the Organisational Culture theme and engagement with the workforce.
- 8.7 Any recommendations or comments from Audit & Risk Assurance Committee and Budget & Corporate Scrutiny Management Board will be reported to Cabinet.

9 Implications

Resources:	The monitoring of the Improvement Plan is being carried out within existing resources. Council’s approval of the single Improvement Plan included allocation of resources to ensure delivery of the Improvement Plan. These resources are monitored regularly by the Programme Management Office and Leadership Team.
Legal and Governance:	On 22 March 2022, The Secretary of State for Levelling Up, Housing and Communities issued Directions under Section 15(5) and (6) of the Local Government Act 1999 (the 1999 Act) in order to ensure that the council can comply with the requirements of Part 1 of the 1999 Act. Failure to comply with these Directions may lead to further intervention measures for the council.



	<p>The delivery of actions within the Plan agreed by Council in June 2022, as well as any subsequently identified actions, will support the council to achieve sustainable improvement. This will support the end of government intervention.</p> <p>Ultimately, the changes made through the Improvement Plan will enable the council to effectively deliver its strategic priorities and ensure it is delivering value for money for Sandwell.</p>
<p>Risk:</p>	<p>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, increased costs, and damage to reputation.</p> <p>A risk register is in place and will be maintained for the duration of the Improvement Plan which will underpin the council's strategic risk relating to the council's Improvement Plan (59a 02/22). This will be reported monthly to Leadership Team, quarterly to Cabinet and will be regularly reported to Audit and Risk Assurance Committee.</p>
<p>Equality:</p>	<p>The successful delivery of this Improvement Plan will require the development and review of many of the council's policies and procedures. These changes will build in consideration of the impact on equalities throughout the development and will include an Equality Impact Assessment where appropriate.</p>



Health and Wellbeing:	<p>The underpinning objective of the Improvement Plan is to ensure the council can achieve the strategic priorities as set out in the Corporate Plan. These priorities focus on improving the health and wellbeing of our residents and tackling health inequalities in a multi-faceted way. Therefore, any improvements to the council’s governance structures will strengthen the council’s ability to deliver services that will improve the health and wellbeing of Sandwell.</p>
Social Value	<p>Within the Improvement Plan, the council is committed to developing the Social Value Policy in conjunction with the refresh of the Procurement & Contract Procedure Rules. Through strengthening our asks of contractors through this Social Value Policy and linking them to the Corporate Plan objectives, the council will be able to maximise its social value return.</p>
Climate Change	<p>The underpinning objective of the Improvement Plan is to ensure the council can achieve the strategic priorities as set out in the Corporate Plan. Green in everything we do is one of the Fairer Sandwell principles running throughout the Corporate Plan. Any improvements to the council’s governance structures will strengthen the council’s ability to embed this principle and further the climate change agenda.</p>
Corporate Parenting:	<p>The underpinning objective of the Improvement Plan is to ensure the council can achieve the strategic priorities as set out in the Corporate Plan. These priorities include being a good Corporate Parent for the children in our care and supporting young people once they leave care. Therefore, any improvements to the council’s governance structures will strengthen the council’s ability to be a good Corporate Parent.</p>



10 Appendices

1. Improvement Plan Monitoring Tool October 2023
2. Improvement Plan Theme Summary October 2023
3. Statutory Recommendations Reporting October 2023
4. Scrutiny and Audit Recommendations Reporting October 2023
5. Changes to the Improvement Plan October 2023
6. Improvement Plan Risk Register October 2023
7. Improvement Plan Governance Diagram

11 Background Papers

- [Sandwell Council Improvement Plan](#)
- Approval of Sandwell Council Improvement Plan [Report to Council 7 June 2022](#)
- Reports to the Secretary of State for Levelling up Housing and Communities:
 - June 2022 Reports
 - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities](#), June 2022
 - December 2022 Reports:
 - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities, December 2022](#)
 - [Sandwell Council Commissioners: second report to Secretary of State for Levelling up, Housing and Communities, December 2022 \(published March 2023\)](#)
 - [Ministerial response to second letter \(March 2023\)](#)
 - [June 2023](#)
 - [Sandwell Council Commissioners: third report to Secretary of State for Levelling up, Housing and Communities, June 2023 \(published July 2023\)](#)
 - [Ministerial response to third letter \(July 2023\)](#)



- Improvement Plan Progress Reports:
 - To Council:
 - [13 June 2023](#)
 - [13 December 2022](#)
 - To Cabinet:
 - [September 2023](#)
 - [June 2023](#)
 - [March 2023](#)
 - [December 2022](#) including LGA Corporate Peer Challenge Progress Review Report Nov 2022
 - [September 2022](#)
 - To Audit and Risk Assurance Committee
 - [September 2023](#)
 - [June 2023](#)
 - [March 2023](#)
 - [January 2023 \(External Review Reports\)](#)
 - [November 2022](#)
 - [September 2022](#)
 - [June 2022](#)
 - To Budget and Corporate Scrutiny Management Board
 - [September 2023](#)
 - [June 2023](#)
 - [March 2023](#)
 - [November 2022](#)
 - [September 2022](#)
- External Review Reports
 - [Grant Thornton Value for Money Governance Review Follow-up Report 2022](#)
 - [Grant Thornton Value for Money Governance Review December 2021 – reissued October 2022](#)
 - [LGA Corporate Peer Challenge Progress Review Report 2022](#)
 - [LGA Corporate Peer Challenge Report February 2022](#)
 - [CIPFA Financial Management Report January 2022](#)

