

Report to Audit and Risk Assurance Committee

12 December 2024

Subject:	Review of Grant Thornton Recommendations
Director:	Assistant Chief Executive James McLaughlin
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1. Recommendations

- 1.1. To consider and comment upon the ongoing actions and responses to the previous Grant Thornton's recommendation.
- 1.2. That the Committee considers and agrees if any further action or reporting is required on these recommendations.

2. Reasons for Recommendations

- 2.1. To inform the committee of the ongoing position in relation to the recommendations made by Grant Thornton from when they returned to Sandwell in Autumn 2023. The findings of which were previously reported to this Committee and were integrated into both the Assurance plan and existing Directorate and Service Plans earlier this year.
- 2.2. When Sandwell moved out of Intervention and the Improvement Plan was closed down, in March 2024, it was agreed that any remaining open actions would continue to be monitored through an assurance action plan and that the Grant Thornton Recommendations would return to ARAC in the Autumn for review.

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

Growing up in Sandwell	The Audit and Risk Assurance Committee is a key component of the council's governance, risk management and internal control framework.
Living in Sandwell	
Thriving Economy in Sandwell	
Healthy in Sandwell	
One Council One Team	

4. Context and Key Issues

4.1. Background

4.2. With the lifting of the Statutory Recommendations by Grant Thornton in December 2023 and the ending of government intervention on the 22 March 2024, the Improvement Plan programme closed as a separate governance process. Sustained improvement activity had been embedded into existing arrangements within the Council.

4.3. Actions that were 'open' on the Improvement Plan at the close of the programme, including those from the Grant Thornton Review, were mapped to existing plans and governance arrangements (e.g. local, business, and corporate plans) and recorded in an Assurance Plan. This is monitored quarterly and taken to Performance Board (attended by Leadership Team) if action is required.

4.4. There was an agreed recommendation to report progress on the Grant Thornton recommendations to ARAC in Autumn 2024.

4.5. Continuing this oversight ensures that the council continues its improvement journey post intervention and supports the preparation for the LGA Corporate Peer Challenge planned for September 2025.

4.6. Value for Money Governance Review – Follow Up Review 2023

- 4.7. In Autumn 2023, Grant Thornton conducted a second follow-up review to consider progress against the three statutory recommendations made in 2021 and the 33 key and improvement recommendations made in their first follow-up review in 2022.
- 4.8. Following the review all three statutory recommendations were closed and the 33 recommendations were reviewed.
- 4.9. In their December 2023 report, Grant Thornton made four key recommendations and 26 recommendations. Progress updates to key recommendations are included in paragraph 5 below. All of the recommendations are considered ‘on track’.
- 4.10. Updates to the further 26 recommendations are included in appendix 2. Of these, 24 are considered ‘on track’ with 2 being delayed. These are as follows:

KLOE B4b: Performance management and other matters			
The Council should develop a business case for a performance management system, to appropriately consider this investment.	PC.C1.1	2024 update: A business case has been developed. The joint procurement of a performance management and complaints/governance software was explored, but it was resolved that this would result in a system that did not fully meet need. Therefore, procurement of a performance management system is the best solution. However, this is on	ACE / Service Improvement

		hold, awaiting approval before it can be progressed	
KLOE B7: Financial reporting			
The Council should ensure that all recommendations from CIPFA's follow up review are fully implemented.	Commentary	2024 update: All recommendations from CIPFAs follow up review will be addressed once there is additional capacity in place in the Finance structure and once Oracle Fusion has been implemented and are up to date with outstanding accounts	Head of Finance Business Partnering - Place

5. Key Recommendations – progress updates

5.1. Key Recommendation 1: The Council must ensure that the changes in train relating to transformation are concluded so that the transformation strategy, transformation business cases, and associated cultural and behavioural changes become successfully embedded and result in identifying and realising the organisational changes and savings required, so that the Council remains financially sustainable in the medium-term. This includes ensuring that the Property Transformation Programme leads to decisions being taken on asset disposals that ensure associated savings targets in the MTFP (Medium Term Financial Plan) are realised.

Progress Update 1

- A transformation strategy (Design Principles) has been prepared, and the Corporate Transformation Board has been established to guide and control the transformation approach in the years ahead. The benefits of the transformation endeavours are to develop better value for service users and enhance customer journey.

- MTFs/MTFP was refreshed in October 2024 and was presented to Cabinet on 16 October. The Capital Strategy is refreshed annually, following a process of reviewing capital project requests for the following financial year. The updated Capital Strategy will be published in February 2025.
 - Consultancy Approval Panel was established to ensure appointment of consultants across the council aligned to the council's priorities. CAP is managed by the Corporate Transformation Office and continues to oversee all requests for external commissions across the council. Updates are provided Bi-monthly to the Strategic Leadership Team, ensuring collective oversight.
 - Delivery of asset rationalisation savings against the budgeted value is monitored monthly along with all other savings in the MTFs/budget. Outstanding savings (not yet delivered) are reported monthly to Leadership Team and quarterly to Cabinet.
- 5.2. **Key recommendation 2:** The Council should place renewed focus on its efforts to improve the full customer experience, and this is demonstrated by improved customer metrics, and having appropriate data available to measure all customer related KPIs.

Progress Update 2

- Customer satisfaction metrics are captured at the One Stop Shop; Community Hubs; Corporate Contact Centre & on MySandwell. This work is on-going and we are also looking at introducing a 'customer effort' metric.
- The Customer Service standards remain in draft form and are being reviewed as part of the 2nd phase of the Customer Journey/Customer Focus programme.
- Customer Service Training Procurement was successful, and the training commenced September 2024, the feedback so far has been very positive.
- There are now the following metrics included in the Corporate Performance Monitoring:
 - O7 – Corporate Contact Centre – Call Satisfaction
 - O16 – One Stop Shop – Customer Satisfaction
 - O17 – MySandwell – Satisfaction from process submissions

O18 – MySandwell – Satisfaction following enquiry closure

- 5.3. Key recommendation 3: The Council should retain corporate focus and attention on key service and operational risks, in particular the implementation of Oracle Fusion, placed based working with SCT (Sandwell Childrens Trust) and the effective management of SCT's operational and financial challenges, industrial action in the waste service, putting a clear plan in pace for the subsidy to SLT being eliminated, financial statement production, and reducing reliance on the level of interim appointments in the finance team.

Progress Update 3

Oracle Fusion

- Oracle Cloud Implementation report was presented to Audit Committee on the 18 July 2024 detailing Responses to the recommendations set out in the separate Oracle Fusion Implementation report.

Sandwell Childrens Trust

- The Sandwell Childrens Trust assurance action (Realising the planned Invest to Save) is monitored quarterly, in Q1 it was noted that there was a delay due to a change in s151 officer but that the procurement was now taking place to identify a suitable organisation to undertake the work.
- Contract Sum negotiations have commenced with SCT, alongside this a third party has been engaged to work with both SCT and SMBC to support in the development of a MTFP.

Sandwell Leisure Trust

- SLT's operational and financial performance will be checked at end of year 24/25. Quarterly reviews with Sandwell Leisure Trust indicate Medium Term Financial Strategy assumptions will be met in 25/26.
- Quarterly performance monitoring takes place and is presented at Performance Board to Leadership Team.

Serco

- Lessons learned from Serco industrial action were captured in updated the Business Continuity Plan drafted with Serco and agreed in September 2024.

- Industrial Relations now an agenda item in monthly Senior Management Meetings with Serco. 2024/25 pay settlement resolved with no threat of industrial action.

Finance

- Proposed structure formulated. New job descriptions currently being evaluated.
- Proposed structure to be launched with staff during Autumn 2024.

5.4. **Key recommendation 4** : The Council will need to manage the risks associated with the Senior Management restructure, including organisational change fatigue and resistance, the loss of corporate memory, and the retention of key staff during this period of change. The successful appointment of new Executive Directors will be critical for the Council's ongoing improvement journey and the Council will need to ensure it maintains the pace of improvement and returns to a stable state following the conclusion of the restructure.

Progress Update 4:

- Executive Director of Place, and Assistant Chief Executive now appointed and in post. Phase Two review of Leadership structure focussing on next tier of management is underway. This will align services under new Service Director roles, reducing or eliminating Assistant Director roles, and bringing organisation design clarity through streamlined senior structure.
- An in-house management and leadership development offer exists including action learning sets to improve management capability. In addition, a large Leadership conference is scheduled for 18 November 2024 that will focus on the role and expectations of all managers and will further embed the values and leadership behaviours.
- With regards to leadership capability in managing change; a learning and development intervention has been launched and continues to run monthly.

5 Implications

Resources:	The monitoring of the Grant Thornton recommendations is being carried out within existing resources.
Legal and Governance:	There are no direct legal and governance implications from this report.
Risk:	There are no Risk implications from this report.
Equality:	It was not necessary to undertake an Equality Impact Assessment.
Health and Wellbeing:	There are no direct Health and Wellbeing implications from this report.
Social Value	There are no direct social value implications from this report.
Climate Change	There are no direct climate change implications in relation to this report.
Corporate Parenting:	There are no direct corporate parenting implications in relation to this report.

6 Appendices

Appendix 1 - Sandwell MBC Governance Review follow up 2022-23
Final

Appendix 2 - Grant Thornton Recommendation Responses November
2024

7 Background Papers

None.