


# LGA Corporate Peer Challenge

Sandwell Council

Monday 31<sup>st</sup> January to Thursday 3<sup>rd</sup> February 2022

Feedback report





1. Executive summary .....	3
2. Key recommendations .....	9
3. Summary of the peer challenge approach .....	10
4. Feedback .....	12
5. Next steps .....	33

# 1. Executive summary

There is much to be excited about in Sandwell and there is huge potential to be unlocked in the borough. A key part of this is the regeneration agenda and the £1.3bn economic growth and regeneration pipeline. The council, with partners, is seeking to use this as a platform from which to put Sandwell on the map, shaping a borough where people have better paid jobs, increased skills and opportunities. This ambitious agenda can be aided and built upon further by the council becoming much more visible and engaged at the sub-regional and regional level. There is an open door here, with partners indicating they would welcome what the council is intending in terms of much greater senior-level political and officer involvement.

Compared with the situation sub-regionally and regionally, local operational relationships feel better developed. This has been reinforced and strengthened during the pandemic, which the council is largely seen to have responded well to. The positive relationships that now exist at this level can be built upon, with partners indicating they would welcome a greater emphasis on co-production and the council listening to and engaging them more.

The impact the Leader and the Interim Chief Executive have had in a short period of time is absolutely tangible and the style and approaches they have brought provides huge optimism for the future. In a context of the current Chief Executive operating in an interim capacity, it is imperative to ensure continuity of the approach that he has brought at this level of the organisation. Staff, elected members and partners welcomed the increased stability provided by the permanent appointments at Director level and highlighted the opportunities this provides.

In relation to equality, diversity and inclusion, the council has started a journey but there is much more to be done both within the organisation and across the borough. In the council's 'drive for digital', strategy and delivery need to maximise opportunity for local people socially and economically. Within this, it is crucial to ensure that


those not digitally enabled still have ease of access to services, advice and information.

The council's relationships with the Children's Trust and the related governance arrangements are recognised as being strong. The Children's Trust and the council, together with schools and many partners across the borough, are working hard to develop and improve early help and intervention arrangements. The related strategy will be essential in tackling growing demand and successful implementation will require strong governance and the support and engagement of all partners going forward. On a similar theme, addressing health inequalities needs a clear and creative whole system plan founded upon a set of sustained relationships.

We see a clear case for simplifying the governance and partnership arrangements across both the adults' and children's and young people's spheres. A review of these arrangements would need to be undertaken carefully and sensitively but the opportunity exists to establish a revised and streamlined set of arrangements that form a cohesive whole.

The current version of the Corporate Plan is a refreshed version of what went before and reflects a clear overall set of aims at the heart of which sits achieving a 'Fairer Sandwell'. Internal and external communication of the aims and focus within the Plan is at the outset. It will be important to arrive, in due course, at a stage where people across the council and partner organisations can articulate a clear and concise narrative around Sandwell's ambitions through which the council and the borough can be seen to be unashamedly ambitious.

The council financially is in a comparatively resilient position, from which it can progress. To maintain and build upon this, there are changes the council needs to make. There is recognition that the council has had a traditional approach to finance and that many of its procedures and systems need to be reviewed, modernised and improved. Work has been undertaken recently in response to this agenda and what has been delivered thus far means the authority better understands its current financial position.



One of the key activities that is underway is the development of a revised style of Medium-Term Financial Strategy (MTFS). Putting a comprehensive and robust MTFS in place will provide elected members with the context they require in order to make the difficult strategic decisions that are likely to be needed. While the shape of the emerging budget for 2022/23 and the council's level of reserves mean that the organisation is not in imminent financial danger, the next year will be crucial in rebasing the MTFS and moving towards a more resilient financial position. There is a window of opportunity to make the changes needed.

Along with the work to develop a revised MTFS, there is recognition of the need to develop a robust and realistic Capital Strategy which fully forecasts and plans for capital investment. A refreshed approach to the strategy is particularly important in view of the council's ambitious regeneration and economic growth plans.

There is a plan to revise the council's Constitution in the coming months. This appears to be seen by some simply as a refinement of what already exists and representing a relatively straightforward task. However, something much more fundamental needs to be undertaken, which will require experienced external and independent expert input; extensive engagement of all tiers of managers within the council and across the elected membership; and realistic timescales.

Overview and Scrutiny has a valuable contribution to make going forward. Recent progress in the way it operates and where it focuses has been made and can now be built upon. There is frustration on the part of some elected members in relation to levels of responsiveness from within some parts of the organisation in respect of ward and casework issues. Whilst there is something significant that officers need to get right here, it is also crucial that elected members consistently recognise the constraints and the framework that the organisation is working to.

Council staff are very aware of the elected member behavioural issues that have

existed within the council over a long period. People are keen to see these matters confined to the past. It is therefore positive that there is almost universal recognition amongst the staff and elected members that we met that these behaviours are starting to change and exist now only in pockets.

The legacy and impacts of previous behaviours are typical and understandable. With the positive changes in organisational and political leadership seen in recent months, there is now an opportunity for these elements to be considered and addressed further and the related benefits to be realised. Delivering sustained change in organisational culture requires a multi-faceted programme management approach, real investment, and clear whole organisational leadership, and it will take time. However, people spoke of the 'latent capacity' in the organisation which can be freed up through operating in a changed environment.

There is widespread belief amongst people we met both internally and externally that "green shoots" are clearly visible within the culture of the council and the way it operates. There is confidence that with continuity in leadership style and approach these can be sustained and develop further.

There is an increasing organisational self-awareness and current plans for improvement focus largely in the right areas. Inevitably more issues will come to the fore in the months ahead. The emergence of these will place further demands on the organisation and improvement planning will need to adapt accordingly. It is important officers and elected members understand that whilst some improvements can be made relatively quickly, others will take considerably longer. Whole council improvement is a journey and all stakeholders need to be prepared for that.

The council is appropriately planning to consolidate its improvement plans into a single comprehensive plan following our work and that of others recently. This new plan will benefit from being able to be broken down into 'bite-sized chunks' and deliverables sequenced to reflect planned progress over time. Such a plan will be

helpful in informing resource and capacity prioritisation. An effective programme management approach and robust monitoring processes will be key.

There is the opportunity for the council to become a real learning organisation in a context of the changed climate it is operating in. This includes looking outward more and examining constructively what doesn't go to plan. This forms a key part of the wholesale organisational culture change that is required and is predicated upon having a more open environment that is conducive to identifying and highlighting issues as soon as they start to arise in order that they can be collectively understood and constructively responded to.

There is a need for greater join-up across the council. The 'One Council, One Team' message within the Corporate Plan is at the early stages of being heard and understood and can be built on over the coming months. There needs to be greater clarity around the status of 'the restructure'. There are clearly a wide variety of views and interpretations of the intentions and progress of this project. People want to know the definitive position. Existing organisational arrangements need to be reviewed in light of priorities, budgets and organisational ambition. It is essential to ensure the organisation is structured in the right way in order to provide the necessary strategic and operational focus and the capacity and the capability in the right places to deliver against the council's ambitions.

A truly 'enabling corporate core' is essential for taking forward a modernisation agenda for the council. Staff recognise the importance of the 'business essentials' necessary to safeguard the organisation and ensure its smooth and efficient running and good governance but wish to see many of the current approaches made more effective, more enabling of service departments and streamlined.

Clarity is required around the thinking, planning and communication of plans for the 'return to the workplace' as the pandemic enters new phases. Achieving an increased workplace presence at an appropriate point will be important in both

service delivery and cultural change terms. The council's overall philosophy and expectations around the return of its workforce needs to be effectively communicated and understood by all staff. This should, however, provide scope for teams to shape things to ensure that the benefits they have seen from changed ways of working over the last two years are retained whilst ensuring business needs are met.

Staff that we met from the 'middle management' levels are keen for increased senior leadership visibility, enhanced information flow and more engagement – which they would want the Chief Executive and Leadership Team to be central to. The majority of frontline staff we met provided a compelling and very positive picture of the way they have been invested in over recent years. This takes the form both of opportunities for them to develop and to progress their careers within the authority and the pastoral care and support provided to them by their managers.

Whilst training and development is being provided for elected members and managers, this needs to move to a new level, including:

- Further 'top team' development across Cabinet and Leadership Team – both as individual bodies and collectively
- Elected members – related both to existing roles and the ambitions they may hold for the future. A key element here will be placing a greater emphasis upon, and facilitating increased engagement in, learning from across the sector.
- A comprehensive management development programme will be key in supporting the modernisation agenda for the council, but this needs to be supplemented with a real emphasis on leadership development

There is recognition of the need to develop a more proactive approach to the council's communications – both internal and external. However, there needs to be an increased organisational confidence reflected in this, including greater profiling of achievements and key council activity. The authority currently seems to have a reticence to highlight what it is doing well and the key achievements it is delivering.



We would encourage bold leadership on this issue in order to enable people to feel more confident in profiling their successes.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

- 2.1. It is imperative to ensure continuity of the current approach at Chief Executive level
- 2.2. We see value in a clear and joint message coming from the Leader and Chief Executive regarding officer and elected member relationships – setting clear expectations and providing reassurance
- 2.3. We see a clear case for reviewing partnership structures within the 'People's sphere'
- 2.4. Whilst training and development is being provided for elected members and managers, this needs to move to a new level
- 2.5. We would encourage the introduction of a comprehensive residents' survey
- 2.6. There is a plan to revise the Constitution in the coming months – we see something much more fundamental needing to be undertaken, with the Scheme of Delegation as a key component
- 2.7. The council needs to establish a revised Medium Term Financial Strategy and associated Capital Strategy
- 2.8. It is essential to ensure the organisation is structured in the right way in order to provide the necessary strategic and operational focus and the capacity and the capability in the right places to deliver against the council's ambitions

- 2.9. The council is appropriately planning to consolidate its improvement plans into a single comprehensive one and it is important that this happens

## 3. Summary of the peer challenge approach

### 3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Kath O'Dwyer, Chief Executive, St Helens Borough Council
- Councillor Chris Read, Leader, Rotherham Metropolitan Borough Council
- Viv Geary, LGA Associate – with a background in governance and as a Monitoring Officer
- Kevin Hall, LGA Associate – with a background as a Director of Children's Services
- Mike Poulter, LGA Associate – with a background in both Place and transformation
- Chris West, LGA Associate – with a background in local government finance
- Helen Murray, Principal Adviser (West Midlands and the North-West), LGA
- Alan Finch, Principal Adviser (Finance), LGA
- James Millington, Adviser (West Midlands), LGA
- Chris Bowron, Peer Challenge Manager, LGA

### 3.2. Scope and focus

The peer team considered the following five themes which form the core components of all corporate peer challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and

informed by the local context? Is the council delivering effectively on its priorities?

2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

### 3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure that they were familiar with the council and the challenges it is facing. The team then spent three and a half days onsite in Sandwell, during which they:

- Gathered information and views from more than 50 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff, elected members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

## 4. Feedback

### 4.1. Organisational and Place Leadership

There is much to be excited about in Sandwell and there is huge potential to be unlocked. The borough is the third largest in the West Midlands and is located right in the heart of the region, with a population of almost 330,000 and a £6.3 billion economy – which is the largest in the Black Country. The borough is well connected both regionally and nationally. There are around 8,775 businesses employing in the region of 136,000 people. It retains a significant manufacturing sector and has strengths in logistics, health and social care, retail and wholesale. However, employment growth in recent years has generally been in low-skill and low pay occupations.


It is an increasingly ethnically diverse borough, with an estimated 37% Black and Minority Ethnic (BAME) population in 2019. There is a young age profile, with 40% of people aged under 30 in 2019, although some neighbourhoods are rapidly ageing. The number of localities in the most deprived 1% nationally has reduced in recent years but Sandwell remains the eighth most deprived borough nationally. Key challenges in the borough include low skills and educational attainment leading to labour market exclusion; child and family poverty; and poor health and life expectancy.

A key part of the Sandwell regeneration agenda is the £1.3bn economic growth and regeneration pipeline, with key projects underway or planned including the new Midland Metropolitan University Hospital, the Wednesbury to Brierley Hill Metro Extension and the Sandwell Aquatics Centre which will host all of the swimming and diving events for the 2022 Commonwealth Games. The pipeline identified 4,300 new homes to be delivered in the five year period to 2027 through a combination of both council house building and delivery through housing providers and the private sector. The council, with partners, is seeking to use projects such as these and others it has in a 'pipeline', as a platform from which to put Sandwell on the map, shaping a

borough where people have better paid jobs, increased skills and opportunities. Ambitions for the borough which this pipeline seeks to support include:

- Making Sandwell the home of the successful start-up, bringing new businesses into town centres and high streets
- Accelerating growth in higher value businesses, tapping into the growth of the West Midlands economy, to stimulate wider investment and opportunity
- Delivering net zero carbon emissions in Sandwell by 2041, supporting businesses to become more energy efficient, reducing costs and encouraging the growth of ‘circular economies’
- Creating more good jobs by increasing both inward investment and investment from existing businesses – capitalising upon a young population and relatively cheap land
- Working with employers to increase demand for higher level skills and create jobs with good pay and conditions and engaging with education providers to train pupils and students in the skills to meet workforce demands
- Increasing the proportion of the council’s expenditure, plus that of local businesses, spent in the local economy, involving revising procurement practices, developing an increased focus on social value and embedding community wealth building
- Supporting the rollout of high-quality digital infrastructure to all parts of the borough, including working with partners to ensure Sandwell maximises opportunities for 5G infrastructure

This ambitious agenda can be aided and built upon further by Sandwell Council becoming much more visible and engaged at the sub-regional and regional level with partners across the Black Country and the West Midlands. Whilst the council is becoming more active at this level, having been described as a previously “absent partner” from certain forums and not having “punched at its weight” at this level for a number of years, this is just at the outset. This can be built upon with the Leader and



Interim Chief Executive increasingly being able to look upwards and outwards and permanent post-holders largely now in place at Director level. There is an open door here for the authority, with partners indicating they would welcome what the council is intending in terms of much greater senior-level political and officer involvement.

Compared with the situation sub-regionally and regionally, local operational relationships feel better developed. This has been reinforced and strengthened during the pandemic, which the council is largely seen to have responded well to. Examples include:

- The development of a £1m programme designed to meet increasing emotional well-being and mental health needs of children and young people by expanding capacity in the voluntary sector
- Redeploying council staff to support the Food Hub and vaccination programme
- Pioneering local contact tracing, linking into the national test and trace system, in order to improve engagement rates
- Its contribution to infection prevention and control within care homes, with the death rate in Sandwell being significantly lower than national averages – work that was acclaimed by the Royal College of Nursing
- Work to reduce health inequalities resulting from the pandemic through working with the NHS and voluntary and faith sector organisations to support vaccination uptake in the borough, with a particular focus on black, Asian and minority ethnic groups – leading to the award of ‘Public Health Team of 2021’ by the Local Government Chronicle
- The council’s overall response to the pandemic was identified as an example of best practice by the Department of Health and Social Care


The positive relationships that now exist at the local level can be built upon, with partners indicating they would welcome a greater emphasis on co-production and the council listening to and engaging them more. As a key part of this, we see real value

in the authority and voluntary and community sector undertaking a joint piece of work to develop a clear strategic view of the role of that sector going forward and mutual expectations within this. This should include consideration of the approach to future resourcing and funding arrangements, as there is a lack of clarity currently as to why certain services are commissioned from this sector relative to the grant funding arrangements that are applied to others and an overall grant funding pot that hasn't been reviewed for a number of years.

In summary, the overall message from partners at all levels is that they would like greater 'stability, visibility and engagement' from the council. The conditions for this are right now and the council is working to capitalise upon that.

Sandwell is comprised of the six towns of Oldbury, Rowley Regis, Smethwick, Tipton, Wednesbury and West Bromwich, each with its distinctive identity. The council is very cognisant of these differing identities and seeks to respond appropriately, recognising the pride that exists within each and the way in which their communities identify with the specific locality. The council's 'towns focus' is being emphasised and reinforced even more now, reflected in both elected member roles, with a councillor appointed as 'Town Chair' for each and a Cabinet Member also now aligned to each place. Further investment in some localities will be extended through the £67.5m Towns Fund monies recently secured for Smethwick, West Bromwich and Rowley Regis (including parts of Oldbury) for which business cases are in the final stages of development for submission to Government.

Positive reflections regarding the Leader have featured in many of our discussions. The inclusive and collegiate approach she demonstrates, reflected for example in her engagement with Chairs of Overview and Scrutiny and the reaching out she has done across the elected membership in an effort to identify ways in which councillors can become more fulfilled in their roles. The impact she and the Interim Chief Executive have had in a short period of time is absolutely tangible and the style and approaches they have both brought provides huge optimism for the future amongst the people we spoke to internally and externally.



In relation to equality, diversity and inclusion, the council has started a journey but there is much more to be done both within the organisation and across the borough. It has stated that it recognises it is time to have a fundamental look at what equality and diversity means to Sandwell – from how inequalities and discrimination are addressed to where improvements can be made for the benefit of all the borough’s residents, particularly in light of recent events such as the ‘Me Too’ and ‘Black Lives Matter’ movements. As a specific issue, both the council and partner organisations that we spoke to are aware of the limited diversity in terms of ethnicity at the senior-most levels of the organisation. There is also recognition of the need to review the council’s equality policy, which was last done in 2016.


The authority has established an Equalities Commission with an aim to:

- “Promote equality and challenge discrimination and intolerances in all its forms. To break down barriers prohibiting an inclusive society by confidently tackling unfairness caused by inequality and encouraging community cohesion through increased understanding and awareness.”

Also, Council last year agreed to the funding of an Equalities Team, comprising seven posts. Certain equality initiatives have been instigated following these developments as the council seeks to help the borough realise a vision of being an open, fair and inclusive place that embraces and celebrates Sandwell’s rich and diverse communities, cultures, and traditions. However, these initiatives are limited in number and scope and are currently largely internally focused. An Equality and Diversity Workforce Action Plan was approved politically and managerially in 2020. Disability staff, LGBTQ+ and ethnic minority staff networks have since been established within the council and there is a plan to engage these groups in a review of the Action Plan.

Black Employees from the Ethnic Minority Network formed a project team to lead on the Black History Month celebrations in October. They were instrumental in creating a website and liaising with local speakers to deliver live or pre-recorded events. In





addition, a powerful short video was created of Black councillors describing what Black History Month meant to them. There was also a celebration of LGBT History Month in February this year with various social media messages and internal communications to staff. An 'inclusion calendar' has been developed to help plan and celebrate further such events in an inclusive way. The Equality Commission is leading work for Sandwell to become recognised as a 'Borough of Sanctuary' but the council recognises there is much more to do.

In the council's 'drive for digital', in terms of customer service and access, strategy and delivery need to maximise opportunity for local people socially and economically. Within this, it is crucial to ensure that those not digitally enabled still have ease of access to services, advice and information. This point was emphasised by both council staff and voluntary and community sector partners, with the latter feeling they are being left to 'pick up the pieces' within communities where digital exclusion levels are seen to be comparatively high. The council will need to be mindful going forward of the commitment in the Corporate Plan to ensure such exclusion is addressed when designing services and making key council decisions.

The council's relationships with the Children's Trust and the related governance arrangements, centred on the Sandwell Children's Trust Board and the under-pinning Operational Partnership Board and Strategic Partnership Board, are recognised as being strong. The contract review at the mid-point of the 10-year contract is currently being embarked upon and will run, as a joint initiative, through the early part of the new financial year. At the heart of this is a revised set of performance indicators that have been developed in recent months and are currently being considered.

The Children's Trust and the council, together with schools and many partners across the borough, are working hard to develop and improve early help and intervention arrangements. The Early Help Strategy will be essential in tackling growing demand and successful implementation will require strong governance and the support and engagement of all partners going forward.

A new procurement process is being run in relation to Special Educational Needs transport provision, with an officer project board within the council overseeing this. Given the legacy issues here, this is a piece of work of significance for the authority which needs to be run very effectively.

We see a clear case for simplifying the governance and partnership arrangements across both the adults' and children's and young people's spheres. Whilst some of the related infrastructure is statutory in nature, such as the Children's Safeguarding Partnership and the Safeguarding Adults Board, other parts of the arrangements seem overly complex and extensive in comparison to other places. A review of these arrangements would need to be undertaken carefully and sensitively but the permanent Director-level appointments within the council provide the opportunity both to undertake this work and establish a revised and streamlined set of arrangements that form a cohesive whole.

On a similar theme, addressing health inequalities needs a clear and creative whole system plan founded upon a set of sustained relationships. Developing the Health and Well-Being Board and a Health and Well-Being Strategy, linked to evolving Integrated Care Systems (ICS) arrangements, will be important steps but these represent pieces of the architecture. Other critically important components will be effective partnerships and relationships and effective delivery will be the key test.

#### **4.2. Local Priorities and Outcomes**

The current version of the Corporate Plan – 'Big Plans for a Great Place: The Sandwell Plan' – is a refreshed version of what went before and reflects a clear overall set of aims at the heart of which sits achieving a 'Fairer Sandwell'. Key strands underpinning this are:

- Local investment
- Doing things with the community
- No one gets left behind

- Green in everything we do

Internal and external communication of the aims and focus within the Plan is at the outset. It will be important to arrive, in due course, at a stage where people across the council and partner organisations can articulate a clear and concise narrative around Sandwell's ambitions, comprising both the aims above and the exciting agenda and potential that we outlined earlier. This needs to come together as a shared narrative providing a compelling picture and through which the council and the borough can be seen to be unashamedly ambitious.

The council recognises the underpinning framework to the Corporate Plan – the 'golden thread' – now needs to be developed across and throughout the organisation. Work is underway in relation to this, including the development of performance management arrangements that enable what success looks like and progress towards attaining that to be fully understood and responded to by elected members and officers. A key strand of this will be Directorate business plans and it is really positive that some of the staff we met are already translating how their services and functions relate to the Corporate Plan, meaning they will have a really valuable contribution to make as the performance management framework is developed.

The following paragraphs outline performance information drawn from the LG Inform system that the Local Government Association hosts for the sector. The data is the latest available and has been used to benchmark Sandwell with the other 14 single tier and county councils in the West Midlands region in order to outline the relative performance strengths and challenges of some of the council's services.

- Sandwell was judged inadequate by Ofsted (one of two authorities judged to be inadequate across the region). The most recent monitoring visit, in November 2021, found tangible progress in improvements for services to children looked after but notes there is more to do. The appointment of the new Chief Executive to the Children's Trust in April and the appointment of the new Director of

Children's Services in November are seen as very positive steps in the improvement journey.

- Sandwell is performing better than the regional average for the percentage of child protection cases reviewed within the required timescale (95.5%), despite the council receiving the third highest level of referrals in the region.
- The percentage of care leavers in suitable accommodation is the lowest regionally, at 81%, and Sandwell records the lowest percentage of care leavers in education, employment or training.
- Within Adult Social care, the council has an excellent record on minimising delayed discharges – with the second lowest level in the region and being significantly lower than the average.
- The proportion of 16 and 17 year olds who are not in education, employment or training (NEET) is the lowest in the region.
- The proportion of the population aged 16-64 qualified to at least Level 2 or higher is the lowest in the region at 56.9%, compared with an average of 74%.
- The number of households on the housing waiting list is under the average for the region.
- In processing housing benefit claims, Sandwell is better than the average for the councils in the region with claims being processed in 8 days on average.
- The percentage of roads that require maintenance is below the average for the region. This is despite the total revenue spending on the highways and transport service being the lowest per head of population.
- The council is collecting the third highest annual amount of residual waste per household across the region. The percentage of waste sent for reuse, recycling and composting, at just over 30%, is below the average in the West Midlands and places the council as second lowest.

- Physical visits to libraries are the third highest in the region and the number of enquiries to the library service are the highest.

The corporate peer challenge analysis of Sandwell's Corporate Plan suggests the council is aware of its areas of strength and those areas which require improvement and is putting capacity and resources into improving the below average metrics.

### **4.3. Governance and Culture**

We met staff at different levels from across the organisation and they are very aware of the elected member behavioural issues that have existed within the council over a long period and the negative experiences and “bad press” this has entailed. Some of them have experienced such behaviours directly whilst others have observed things from a distance but been very aware of the climate they have created around the council. People are keen to see these matters confined to the past. It is therefore positive that there is almost universal recognition amongst the staff and elected members that we met that these behaviours are starting to change and exist now only in pockets. There is much more to do to embed a wholesale change in the organisational culture but this change represents a key part of what people describe as “green shoots” within the council. To help to cement and advance progress, we see value in a clear and joint message coming over the next few weeks from the Leader and Chief Executive regarding officer and elected member relationships – setting clear expectations and providing reassurance that any matters that arise will be appropriately addressed.

The legacy and impacts of previous behaviours are typical and understandable, including people ‘keeping their heads down’; processes having been established that reflect risk aversion – plus a linked issue of the escalation of decision-making within managerial and governance structures; and a reduced staff pride in the organisation. With the positive changes in organisational and political leadership seen in recent months, there is now an opportunity for these elements to be considered and addressed further and the related benefits to be realised. Delivering sustained

change in organisational culture requires a multi-faceted programme management approach, real investment, and clear whole organisational leadership, and it will take time. However, people spoke of the 'latent capacity' in the organisation which can be freed up through operating in a changed environment. As one individual said in describing the changed atmosphere: "the council now has a chance of making a difference" – with local communities deriving the benefit.

Those people we met very much value the experience, style and reassurance the Interim Chief Executive provides. This has generated confidence across the organisation and amongst external stakeholders. As we noted earlier, the impact that both he and the Leader have had in a short period of time is absolutely tangible and provides huge optimism for the future. In a context of the current Chief Executive operating in an interim capacity, it is imperative to ensure continuity of the approach that he has brought at this level of the organisation. He and the Leader have been central to new relationships being formed between Cabinet and the individuals forming the Leadership Team as new permanent appointments at Director level. Mutual trust and confidence is building within these relationships but this needs to extend further and become embedded over the coming months.

There is a plan to revise the Constitution in the coming months. This appears to be seen by some simply as a refinement of what already exists and representing a relatively straightforward task. However, something much more fundamental needs to be undertaken, which will require experienced external and independent expert input; extensive engagement of all tiers of managers within the council and across the elected membership; and realistic timescales.

The Scheme of Delegation will form a vital component of this work and is key to more effective financial management. It has been cited as an issue in its current form, both in terms of a lack of clarity over the financial accountabilities devolved to managers and the degree of flexibility senior managers can exercise. This acts as a good example of the way in which something that sounds relatively simple in terms of Constitutional change will actually involve exploring fundamental aspects of how the

authority operates, with matters of trust and confidence and respective roles and responsibilities, at the heart of that. Another example would be the opportunity to change procedures for Council meetings in order to simplify decision-making and debate and so engage elected members, plus those observing, more effectively. The significance and scale of the task of changing the Constitution in a meaningful way, via a process of co-production, should not be under-estimated.

Overview and Scrutiny has a valuable contribution to make going forward. Committee chairs are committed to, and enthusiastic about, forging a new direction and the engagement they have had with the Leader around this is positive. Recent progress in the way it operates and where it focuses has been made and can now be built upon, including through wider training and development. One example here is the work undertaken considering the contract with SERCO, whilst another is a study of the impact of the pandemic on children in the borough. There is a sense of an increasing appetite for undertaking meaningful scrutiny as a council, founded upon corporate endeavour and collaborative effort and in a climate that is much more conducive, which would help both to inform policy and hold the Executive to account. A full review of the Constitution provides an opportunity to capture this and embed a reinvigorated scrutiny function linked to the provision of appropriate corporate capacity.

There is frustration on the part of some of the elected members that we spoke to in relation to levels of responsiveness from within some parts of the organisation in respect of ward and casework issues. This is not unique to Sandwell but it is important to identify where such matters exist and then address the underlying causes. Establishing clarity around how this will be achieved will be important. We heard, for example, of the existence of a portal for councillors to use in raising casework matters, which in theory should enable the effective tracking of progress. However, there is clearly a lack of confidence on the part of councillors in this system and work arounds have been developed. Whilst there is something significant that officers need to get right here in terms of responsiveness, it is also crucial that elected members consistently recognise the constraints (in terms of resources) and

the framework (in terms of agreed policy) that the organisation is working to. Inappropriate 'work arounds' could inhibit the necessary progress required in resetting a positive and appropriate relationship between officers and members.

#### **4.4. Financial Planning and Management**

The council is not in imminent financial danger, with the draft 2020/21 accounts reflecting a comparatively resilient position from which the authority can progress. To maintain and build upon this, there are changes the council needs to make.

There is recognition that the council has had a traditional approach to finance and that many of its procedures and systems need to be reviewed, modernised and improved. Work has been undertaken recently in response to this agenda and, whilst such activity is essentially at the outset, what has been delivered thus far means the authority better understands its current financial position.

One of the key activities that is underway is the development of a revised style of Medium-Term Financial Strategy (MTFS). Integral to this needs to be realistic forecasts of the likely resources required over the coming years, moving away from focusing heavily, as has been the case to date, on the year ahead. The MTFS needs to contain summary information on the national and local financial and economic picture and how that will impact on Sandwell's position. Putting a comprehensive and robust MTFS in place will provide elected members with the context they require in order to make the difficult strategic decisions that are likely to be needed. As the council's thinking on its approaches to its finances shapes up, there needs to be greater clarity of the authority's risk appetite in relation to, for example, borrowing, investments, commercial thinking and capitalisation and how this is reflected in the MTFS.

The council is working towards a budget in 2022/23 that makes around £13m of savings, which balance off a roughly equivalent amount of spending pressures. A



balanced budget has been made possible, at least in part, through the new Services Grant in the government settlement, equating to around £7m, but the future of this grant is unclear. While the shape of the emerging budget for 2022/23 and the council's level of reserves mean that the organisation is not in imminent financial danger, the next year will be crucial in rebasing the MTFS and moving towards a more resilient financial position. There is a window of opportunity to make the changes needed.

In the last two years, the impact of the pandemic and the complex range of government support grants has made budgetary control complex and untypical. It is vital that a high standard of budgetary management and discipline is maintained as the pandemic works through and a steadier state hopefully returns. As with other councils, Sandwell needs to ensure that, as temporary funding streams relating to the pandemic tail off, the costs of the services it is supporting are also subject to review.

Along with the work to develop a revised MTFS, there is recognition of the need to develop a robust and realistic Capital Strategy which fully forecasts and plans for capital investment. The current strategy, approved in February 2021, set out detailed plans for the two years ahead but this horizon needs to be extended. A refreshed approach to the strategy is particularly important in view of the council's ambitious regeneration and economic growth plans, which could be vital to the organisation's future financial sustainability and the future of the borough.

In relation to both revenue and capital, the forecasting of resource and spending pressures needs to be enhanced. Benchmarking assumptions and sharing intelligence with other authorities and sector bodies will be essential in informing this. Also, the revised MTFS needs to factor in the full revenue costs of the Capital Strategy and both the MTFS and Capital Strategy need to be closely aligned with the Corporate Plan and whole organisation improvement planning. Ensuring the correct organisational structure exists and the capacity is in place to deliver both the improvement agenda and the ambitions that exist for the borough will require appropriate investment. The council also needs a better understanding of its asset

base and to develop an acquisitions and disposals protocol to guide its management of those assets.

Managing the council's finances needs to become more of a shared endeavour between the Finance function and managers across the council, with the latter needing to be appropriately skilled and supported for the task. Central to this will be managers having access to, and being able to utilise effectively, up to date systems that provide reliable information in an easily accessible way. The council has restarted the process to review and upgrade its Enterprise Resource Planning (ERP) system and this presents an opportunity for the council to raise the expectations it has upon managers to control and manage their finances whilst improving the support they receive from an appropriately organised and skilled Finance team. Managers that we spoke to would welcome increased information sharing regarding the council's financial situation and greater insight to some of the decisions made, especially in relation to savings plans. This is key and will help form the basis for involving managers and budget holders more fully in realistic and effective budget setting.

#### **4.5. Capacity for Improvement**

There is widespread belief amongst people we met both internally and externally that “green shoots” are clearly visible within the culture of the council and the way it operates. There are a number of dimensions to this, including the style and approaches the Leader and the Chief Executive have brought; the organisation starting to look outwards more; behaviours being seen to be changing and less positive ones being seen only in pockets now; the better understanding that exists of the council's financial position; the work being undertaken to develop a revised MTFs; and the latent capacity that stands to be freed up through staff operating in a changed environment. There is confidence that with continuity in leadership style and approach these, and other elements, can be sustained and develop further.

There is an increasing organisational self-awareness and current plans for improvement focus largely in the right areas. Inevitably more issues will come to the fore in the months ahead, as a result of the climate becoming more conducive to being open about issues and the new Directors getting to grips with their areas of responsibility. The emergence of these will place further demands on the organisation and improvement planning will need to adapt accordingly. It is important officers and elected members understand that whilst some improvements can be made relatively quickly, others will take considerably longer. The experience within the local government sector is that whole council improvement is a journey and all stakeholders need to be prepared for that.

The council is appropriately planning to consolidate its improvement plans into a single comprehensive plan following our work and that of others recently. This new plan will benefit from being able to be broken down into 'bite-sized chunks' and deliverables sequenced to reflect planned progress over time. Such a plan will be helpful in informing resource and capacity prioritisation. The council's plans generally needing to translate more consistently into tangible action and delivery and this must be the case with the improvement plan. An effective programme management approach and robust monitoring processes will be key.

Staff, elected members and partners we met welcomed the increased stability provided by the permanent appointments at Director level and highlighted the opportunities this provides, including:

- Increased managerial capacity
- Relationships being able to be developed both internally and with partner organisations that are sustainable over time
- Increased longer-term thinking and planning
- Greater external focus and linking into sub-regional, regional and national agendas
- Drawing in and exchanging learning – both through the experiences that those appointed from elsewhere bring with them and through the external forums

and activities that it is important they are encouraged and attach value to participating in

There is a wider theme around learning too, with the opportunity for the council to become a real learning organisation in a context of the changed climate it is operating in. This includes looking outward more, actively learning from customer feedback and examining constructively what doesn't go to plan. This forms a key part of the wholesale organisational culture change that is required and is predicated upon having a more open environment that is conducive to identifying and highlighting issues as soon as they start to arise in order that they can be collectively understood and constructively responded to. This represents the exact opposite of a 'blame culture'.

There is a need for greater join-up across the council. People spoke of an organisation with a tendency to operate still in silos – which, again, is not unique to Sandwell. Opportunities exist around an enhanced 'neighbourhoods' focus and locality working – with us assuming when we first heard of neighbourhood teams that these were cross-organisational but subsequently coming to realise they were comprised only of staff within housing-related roles. At Director level there was an expressed need and a desire to adopt more cross-cutting approaches to addressing budget challenges in the months and years ahead – recognising not only the financial and service delivery benefits of this but also what stands to be gained from the relationship-building and enhanced shared understanding that would be derived. There is also much to be gained through ensuring the range of organisational plans and strategies that are being developed are aligned and co-ordinated across the organisation. The 'One Council, One Team' message within the Corporate Plan is at the early stages of being heard and understood and can be built on over the coming months.

There needs to be greater clarity around the status of 'the restructure'. There are clearly a wide variety of views and interpretations of the intentions and progress of this project. This ranges from it having been completed following the recruitment

undertaken at Director level through to there being the intention to look at every level of the organisation following a commitment made more than two years ago to do so. People want to know the definitive position.

Existing organisational arrangements need to be reviewed in light of priorities, budgets and organisational ambition. It is essential to ensure the organisation is structured in the right way in order to provide the necessary strategic and operational focus and the capacity and the capability in the right places to deliver against the council's ambitions – which may require additional investment. A key strand to date in delivering the savings challenge has related to 'planned leavers' i.e. those indicating they would consider leaving the organisation under the right circumstances, including early retirement or voluntary redundancy. This has left key gaps in organisational structures and arrangements. This is not a sustainable approach either organisationally or financially and has led to a 'skewing' of structures and what certain roles entail. Role titles and functions need to do 'what they say on the tin' and there needs to be consistency in terminology, spans of control and levels of responsibility. As examples, certain Director titles bear very little relationship with what people are actually responsible for delivering and even people within the organisation struggle to differentiate between roles such as 'Team Manager' and 'Service Manager' given the differentiation across the organisation in how these roles are structured.

A truly 'enabling corporate core' is essential for taking forward a modernisation agenda for the council – there is a need for a move away from the 'red tape' and bureaucracy and old systems and approaches which staff at all levels highlighted to us. As one individual described it: "We are at the start of the journey around transformation". The corporate functions that will be central to this – both in modernising their own approaches and systems and enabling the rest of the organisation to transform too – include IT, HR and OD, finance, procurement and contract management. Capacity to deliver change and improvement, plus project and programme management expertise will also be required. Staff recognise the importance of the 'business essentials' necessary to safeguard the organisation and

ensure its smooth and efficient running and good governance but wish to see many of the current approaches made more effective, more enabling of service departments and streamlined. There is a link here to the culture of risk aversion and the escalation of decision-making highlighted earlier, including, for example, multiple signatories being required for relatively minor actions and a lack of proper investment over years in key IT systems.

Clarity is required around the thinking, planning and communication of plans for the 'return to the workplace' as the pandemic enters new phases. Our discussions with staff highlighted individual teams developing their own thinking on arrangements to take effect around March. Achieving an increased workplace presence at an appropriate point will be important in both service delivery and cultural change terms. During the period of the pandemic, investment has been made in the office accommodation in the Council House in Oldbury. This acts as a base for many council staff and the changes have been designed to support new ways of working. The council's overall philosophy and expectations around the return of its workforce needs to be effectively communicated and understood by all staff. This should, however, provide scope for teams to shape things to ensure that the benefits they have seen from changed ways of working over the last two years are retained whilst also ensuring business needs are met.

Staff that we met from the 'middle management' levels are keen for increased senior leadership visibility, enhanced information flow and more engagement – which they would want the Chief Executive and Leadership Team to be central to. There is a desire for increased information sharing regarding the council's financial situation and the potential for involving managers and budget holders more fully in budget setting. They are also a key audience for the message we are encouraging from the Leader and Chief Executive around officer and elected member relationships. Ensuring middle managers are sighted on, and made integral to the taking forward of, the aims within the Corporate Plan, including the 'One Council, One Team' philosophy, and that they are positioned to convey the narrative of the council and the borough, will aid the fulfilment of Sandwell's ambitions. Much of the suggested latent capacity is

likely to sit at this level of the organisation.

The majority of frontline staff we met provided a compelling and very positive picture of the way they have been invested in over recent years. This takes the form both of opportunities for them to develop and to progress their careers within the authority and the pastoral care and support provided to them by their managers. A straw poll revealed the impressive extent to which annual performance and development appraisals are undertaken, whilst staff also attached major importance to the much more regular and informal 'catch-ups' they have with their managers. A few highlighted the way in which flexible working arrangements had been developed in order to support them with other key considerations in their lives and this had delivered major benefits for them whilst simultaneously ensuring service requirements were met.

Whilst training and development is being provided for elected members and managers, this needs to move to a new level, including:

- Further 'top team' development across Cabinet and Leadership Team – both as individual bodies and collectively
- Elected members – related both to existing specific roles, for example as committee chairs, and the ambitions they may hold for the future. A key element here will be placing a greater emphasis upon, and facilitating increased engagement in, learning from across the sector. This will need to be a programme delivered across the electoral cycle so as to provide for both new councillors and those taking on new roles.
- A comprehensive management development programme will be key in supporting the modernisation agenda for the council, but this needs to be supplemented with a real emphasis on leadership development

There is recognition of the need to develop a more proactive approach to the council's communications – both internal and external. However, there needs to be an increased organisational confidence reflected in this, including greater profiling of

achievements and key council activity. The authority currently seems to have a reticence to highlight what it is doing well and the key achievements it is delivering. We understand that this stems from a history of criticism from some quarters but we would encourage bold leadership on this issue in order to enable people to feel more confident in profiling their successes. The benefits to be accrued around developing a better shared understanding and narrative around what the council and the borough is achieving and an increased pride in the organisation are likely to be significant.

Developing a clear rhythm of effective communication and updating of key stakeholders on a regular basis will be important. What is being achieved will form a central element of this, but this is also a key opportunity to share information in relation to future plans and emerging projects. This links to the development of a narrative providing a compelling picture of the ambitions of the council and the borough and the potential that exists. Within this, of course, is the once in a generation opportunity to capitalise upon the borough's Commonwealth Games involvement to 'relaunch' Sandwell.

It is positive that the council is launching a comprehensive staff survey in the coming weeks and the findings from this will be key in identifying well-being issues; pin-pointing pockets where behavioural issues continue to be experienced; obtaining perspectives on how to enhance internal communications; and further informing improvement planning generally.

We would encourage the council to complement the introduction of the staff survey with the commissioning of a comprehensive residents' survey to be undertaken at regular intervals. We recognise the work that has already been delivered to establish a Residents' Panel but feel this can usefully be supplemented with a mechanism to glean a wider range of perceptions and insights to inform plans and prioritisation.



## 5. Next steps

It is recognised that the council's senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a 'check-in' session a few months on from the initial activity, with this providing the opportunity for the council's senior leadership to update peers on its progress against the related improvement planning and discuss next steps.

In the meantime, Helen Murray, Principal Adviser for the West Midlands region, is the main contact between your authority and the Local Government Association. She is available to discuss any further support the council requires – [helen.murray@local.gov.uk](mailto:helen.murray@local.gov.uk).