

Sandwell Metropolitan Borough Council Best Value Commissioners

20 December 2023

Rt Hon Michael Gove MP Secretary of State

Department for Levelling Up,
Housing and Communities
2 Marsham Street
London SW1P 4DF

Dear Secretary of State,

We wrote to you on 13 June 2023 to update you on the statutory intervention at Sandwell Metropolitan Borough Council (the Council). In your Directions of 22 March 2022, you assigned us the task of providing you with six-monthly progress reports. This letter is our fourth report to you.

In our last report we stated that we would make recommendations regarding the end date of the intervention, set out our reasons and include evidence as to why the public could be expected to have confidence in the Council in meeting its best value duty sustainably.

In this report we update you on –

1. Our view of the Council's letter to you.
2. Progress against our priorities from our third report.
3. Our view of the Council's current position in relation to our '12 proxies for success' as set out in our letter of 20 June 2022.
4. An update on the statutory recommendations made by the Council's Auditor, Grant Thornton, and our views on recent report and feedback from the Auditor.
5. Our views on next steps for the intervention.

We took up our roles as Commissioners understanding that our task was to support the Council on the improvement it had already begun, as summarised by the 'green shoots' of improvement noted by Grant Thornton in their Value for Money Governance Review (2021). However, the Council was still failing to meet its Best Value Duty, as defined by Part 1 of the Local Government Act (1999), in that it was failing to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".

When we started at Sandwell, the organisation was still recovering from long-term historic mismanagement and severe breakdowns in trust, which its scrutiny and accountability arrangements were ineffective at handling. Though we were welcomed by staff who were eager to move forward and work hard to improve the Council, there was much to do. We are pleased to say that the Council we see now is a far cry from the organisation we first encountered: the staff, the elected members,

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

and most importantly, the residents, have all noted the changes. The scrutiny and accountability systems, including performance and risk management, are robust and being rigorously upheld. The improvement work which was once seen as a standalone priority has now been interwoven with the 'business as usual' strategic planning of the Council. In short, we believe the Council is now meeting its Best Value duty and is capable of taking forward its improvement independently.

As stated in the draft Best Value Standards and Intervention guidance (published for consultation 3 July 2023): 'Local authorities are not expected to be perfect before an intervention ends'. The intervention's aim is:

...to resolve incidents of failure to the point where the authority can demonstrate that it now has the capacity and capability to sustain its own journey of continuous improvement without the need for further external involvement. (draft Best Value Standards and Intervention Guidance, 2023.)

For us as Commissioners, that means an organisation that is resilient and agile enough to provide its services to residents whilst withstanding adversity, and one with the plans, aspiration and people to strive for excellence independently. We also wanted to see the Council willing and able to work in partnership with its neighbours and seek support from the wider sector, as well as support its staff and elected members and achieve political stability. We are pleased to be able to say that Sandwell Metropolitan Borough Council is now such an organisation.

Improvement, of course, is never 'finished' and there remain key priorities for the Council to focus on, with the support of external partners such as its auditor Grant Thornton and the Local Government Association, which we describe in this report. Every Council will always encounter problems and challenges; what is vital is that each Council is able to respond to them and learn from them. We are confident that the Council is fully equipped to take that challenge on without Commissioners, and we recommend that the statutory intervention ends as planned in March 2024.

1. Our view of the Council's letter to you

This fourth report confirms our comments in our third - we are very content with the Council's own assessment of its progress: the plan continues to be both not only comprehensive, but also a live document, with the self-awareness that we commented on in June being sustained. We now see the impact of decisions and progress demonstrated in improved performance. The Council is very focused on continuous improvement, but now moving to embed this approach into 'business as usual'. The revised governance structures that are in place to monitor progress have been further strengthened by the introduction of a comprehensive monitoring tool, which enables a more dynamic approach to highlighting and responding to work areas that require remedial action or additional levels of assurance. Robust challenge is now provided through improved scrutiny arrangements which enhance decision making with the Council. Oversight for monitoring is provided by monthly delivery progress reporting to senior officers and on a quarterly basis to Cabinet.

The Council is now capable of delivering transformation using good governance and effective project management, supported by effective decision making in order to improve services and deliver change. For example, in July 2023, the Council officially opened the Sandwell Aquatics Centre in Smethwick as a community leisure facility, having been transformed from the Commonwealth Games Aquatics Centre in 2022. Since its opening, it has had an average of 15,500 visits per week, more than 4,600

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

fitness members have joined, 2,134 children enrolled on 'Learn to Swim' and 46 schools booked in for school swimming. The Aquatics Centre represents an impressive example of good governance and project management delivered by the Council and is a world class facility which is well used by the local community.

The Council's letter to you provides a comprehensive and, in our view, an accurate reflection of the progress made by the Council over the past two years. This momentum has been maintained through the appointment of the new Chief Executive and the evidence indicates that improvement is both embedded and sustainable. The letter describes a range of elements which support our view that the Council now has the Leadership stability and capacity to maintain improvement.

Our view regarding the positive progress described by the Leader of Sandwell Council in their letter to you is supported by key stakeholders such as the Local Government Association (LGA), the West Midlands Combined Authority (WMCA), CIPFA and the Council's auditors Grant Thornton.

2. Progress against our priorities from our third report

There has once again been considerable progress since our third report, in which we identified several key areas requiring more work to embed improvement and to demonstrate resilience and sustainability. We believe that progress in these areas provides the necessary evidence that the Council is now ready to move forward without the support of Commissioners from 22 March 2024. There is a considerable crossover between these priorities and our 12 proxies for improvement.

We identified the following priorities for action in our third report to you in June 2023:

- a. Governance structure and arrangements.
- b. Progress on the Single Improvement Plan.
- c. Consolidating continuous improvement into business as usual.
- d. Evidence of a robust MTFS which includes Transformation.
- e. Continued improvement in the culture and behaviours exhibited by members and officers.
- f. Stability of member and officer leadership.

The areas we highlighted to be prioritised have been given particular attention by the Council. As a result, we are pleased to report that substantial progress has been achieved on all these priorities. Shokat Lal, the new Chief Executive, continues to drive the improvement agenda forward, ensuring the Council focuses on getting the basics right and developing an approach which aspires to excellence.

Key workstreams, such as the work on improving the customer journey and **designing, agreeing and implementing new organisational values**, have progressed well. Face to face all-staff briefings and online briefings are now a regular occurrence. We have included more detail of much of this improvement work under our proxies below. Although some of the culture work was paused whilst the new Chief Executive settled in, this is now much better developed and is being implemented through the leadership of the newly appointed Assistant Chief Executive. **Significant work has been undertaken to link the transformation programmes to the Medium-Term Financial Strategy (MTFS)** which improves the financial outlook for the Council. New project management arrangements are now established and being monitored using appropriate software. This is combined with a **stable political environment** where difficult decisions, which secure the medium-term financial stability of

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

the Council, are made regularly. We are therefore confident that the MTFS is, although challenging, is now both realistic and achievable and is now backed by a robust transformation programme.

As we reported in our third report, a key challenge for the Council was to see the development of a mechanism for ensuring that 'improvements' move from the stage of being contained in a separate plan of 'one-off' intervention, to **an embedded part of 'business as usual'**. We believe that this is now in place. There are monthly improvement plan review meetings which monitor progress and, where appropriate, move activity from the improvement plan into directorate business plans. This provides a baseline for organisation-wide continuous improvement, by facilitating corporate tracking and risk management governance.

As a result of this progress, we see evidence that the changes being made are now firmly linked into the corporate plan, business plans and the performance management framework. We believe this work has continued to progress well, with the emergence of a 'golden thread' between improvement activity, performance and delivering outcomes. Continuing this approach will be important to ensure even greater resilience and sustainability of improvement.

As we indicated in our third report, we have continued to challenge the Council to satisfy our proxies for success and to have the **right processes, governance and behaviours in place** to ensure that change is sustainable. This is to ensure that continuous improvement and delivering best value are to be cornerstones of the Council's future, beyond the intervention. We are therefore pleased that the Council has been working with the Local Government Association (LGA) to ensure continued resilience and improvement post-intervention. This has been developed with input from the Council, the Commissioners and the LGA. The LGA has supported the Council over the period of the statutory intervention and fully supports the view that good progress across all areas has been made by the Council. The LGA has confirmed that a comprehensive support plan will continue when the statutory intervention finishes. This will include a range of activity under the banner of the continuous improvement work called 'Being Brilliant at the Basics and Onwards to Excellence'.

Currently, the LGA is working with politicians and officers in the Council to compile future activity for the whole of 2024, under the headings of:

- (i) Building Productive Relationships – which will include the LGA refreshing the pool of mentors for all members of the Cabinet; providing peer to peer support at key decision points; a comprehensive induction programme for new Members post May 2024 local elections; a visits programme to other councils; and a top team development programme;
- (ii) Developing Future Strategy – including service specific peer challenges, support development of the Council's new corporate Plan and transformation programme;
- (iii) Sector-led Assurance – which covers a range of activity including a corporate peer challenge in September 2024 and other governance work including benchmarking exercises.

The LGA has assured us that it remains fully committed to supporting the Council over the coming months to further embed the changes that have been made and to ensure that progress continues to be made beyond the timeframe of the intervention. Our view is that this demonstrates both the Council's commitment and self-awareness when it comes to continuous improvement, and indeed driving towards excellence.

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

Grant Thornton has recently completed a Value for Money Governance Review follow up, building on its follow up review in December 2022. The result of this review represents significant progress since the original Value for Money Governance Review undertaken in 2021. Grant Thornton is satisfied that the Council has made appropriate progress against the three statutory recommendations, and these can now be lifted. They found no evidence of any significant weaknesses in relation to 13 of the 18 Key lines of Enquiry (KLOES) that they have reviewed. There were some ongoing issues and risks which we and Grant Thornton identified – they will require the Council to make informed decisions and ensure the risks are properly managed. These will need to be included in an updated improvement plan together with dedicated action for post-intervention. These are explained in more detail in section 4 of this report.

The high-profile issues in relation to Oracle Fusion experienced by other councils, such as Birmingham City Council, have been considered by both the Commissioners and Grant Thornton. It is our view that the Council has given careful attention to its Oracle Fusion implementation. As a result, it has undertaken a number of revisions to timescales and resources where required. It has sourced specialist external resources when appropriate in order to cover specific roles alongside ring-fencing Council staff to be available to assist with implementation. There have been some further delays and a number of associated increased costs resulting in the decision to phase the go-live dates. We believe this rephasing to have been appropriate and subject to appropriate governance and risk management arrangements. The Council know that governance of implementation of Oracle Fusion and the risk management arrangements will need to continue to be robust over the coming years and are planning accordingly.

3. Our view of the Council's current position in relation to our '12 proxies for success' as set out in our letter of 20 June 2022

In this section we provide our assessment of the Council's progress as measured against our '12 proxies for success' which were originally set out in our first report to you in June 2022.

1. The Council has ensured that a new permanent chief executive has been recruited successfully and is in post and supported by a stable and effective senior leadership team.

Shokat Lal – who joined the Council as Chief Executive on 6 February 2023 – continues to drive the improvement agenda further forward and at pace. Over a relatively short period he has effectively developed excellent working relationships with the Leader of the Council, the Cabinet and all elected members across the administration and Opposition Group. He communicates regularly with staff through email and face to face briefings, which have been widely appreciated and he is accessible to members, partners and staff alike, who do contact him directly when needed. He is making significant progress and has the full confidence of the Commissioners.

Since our last letter to you, the Chief Executive and the Council's Executive have made strides in planning to enhance the strategic capacity within the Council. A full senior staff restructure has been considered by the Council's Appointments Committee and has had the support of Full Council. Proper governance has been followed and several senior staff members who have left the organisation for other roles have been replaced by effective experienced interims, pending recruitment to three new

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

Executive Director posts (People, Place and Resources). Longlisting is due to be undertaken before Christmas and appointees joining in the New Year. Commissioners have been involved in plans for this restructure of the Leadership Team and are fully supportive. Alongside this restructure, a new permanent Monitoring Officer has been appointed and is in post, together with a new Assistant Chief Executive joining the senior leadership team on 25th September 2023. They have both started to make a positive difference.

2. The Council has demonstrated that it has an absolute focus on its residents and customers and is responsive to their needs and demands.

As we have previously indicated the Council now recognises the need to continue to improve the customer experience for residents and stakeholders. The Council's new customer journey plan places residents and customers at the forefront of the Council's decision-making, governance and service delivery. To support transparency on progress in this area the Council is undertaking further work to create a basket of service standards ready to publish for the new financial year 2024/25.

The Council has been subject to an Area SEND inspection in the past six months which recognised continued improvement to Category 2. The report recognised that children and young people with special education needs and disabilities (SEND) are valued and describes a "renewed dynamism in Sandwell" where "Leaders across the local area partnership are making sustained improvements for children and young people with SEND."

The Council has been recognised externally for its work on elections with Council staff being invited to present on voter ID and accessibility measures at a national conference of the Electoral Commission and Electoral Management Board for Scotland.

The Council has recently been awarded up to £5 million funding from the National Institute for Health and Care Research (NIHR) following a bidding process. This is a positive development for Sandwell. The funding will be used to establish an NIHR Health Determinants Research Collaboration (HDRC), in partnership with the University of Birmingham and the voluntary sector, to boost its ability to measure the Council's impact and to make sure that interventions are targeted to make the most difference.

The new Performance Management Framework is driving improvement across the Council in areas such as school attendance performance, which helped the Council to gain recognition as a priority education investment area.

The Council is now using heat maps to target service delivery interventions, such as around youth unemployment, to match where unemployed young people live and where employment opportunities are to inform work with the West Midlands Combined Authority.

'Evidence bundles' have been compiled across core corporate functions and are being used to inform business planning for 2024/25. This is being linked to newly produced Ward and Town plans, which are bringing additional insight to shape local priorities and the approach to neighbourhood working.

The Council has continued to increase its focus on residents' concerns, issues, and opinions. This work is complemented by the Council having undertaken a resident's consultation exercise for the second consecutive year, which will be used to inform business plans and budget priorities. It has also hosted

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

a tenant engagement conference and developed a consultation hub platform to provide organisational oversight of consultation feedback.

There has been continued progress on Customer Journey activity and it is now a clear corporate priority. Concerns about the customer interface are a particular focus for the Council. In order to accelerate improvement in this area the Council has procured a new cloud-based telephony system which is anticipated to go live April 2024. The Council has launched a new website to improve accessibility and ease of use. As part of this work the Council has reviewed the content for relevance and it is now fully compliant with the Web Content Accessibility Guidelines Version 2.1 AA standard and now ranks 21st out of 385 local authority websites for accessibility. The last refresh was in 2014 and further enhancements are being developed such as a new Navigation Bot that is currently undergoing User Acceptance Testing (UAT).

There have been sustained improvements across responses to SARs, FOIs and Member enquiries through the Council's corporate oversight. Work has continued with Members concerning responsiveness to enquiries via the Member portal resulting in significant improvement and satisfaction. There is also considerable focus on responding to MP enquiries in a timelier manner with reports regularly produced on responsiveness

As indicated in our last report, the Council had established a pilot Community Hub model for face-to-face contact for those who are digitally excluded or otherwise struggling to engage with the Council and a network of warm centres developed across the borough to respond to the cost-of-living crisis.

The Council has now reviewed, with support from the LGA, its current Neighbourhood/Locality working model and as a result the Council has extended the Community Hub Pilot for a further 6 months, with a new Neighbourhood model being piloted. Early indications suggest that the initial pilot was well received by residents and a further expansion of this model is envisaged.

As we reported in our third report there has been a significant improvement in data gathering and analysis and clear process mapping is taking place. Although this greater focus on data gathering and analysis than previously is positive, we still want to see more detailed work on integrated thinking linked to service transformation which we believe can be built in the new transformation programme.

The shift to a culture which captures and analyses data should provide the opportunity for learning, impact analysis and continuous improvement. Even since our last report we are seeing increased focus from the new Chief Executive to routinely challenge the leadership team to demonstrate what is being done to ensure the same thing does not happen again and we are seeing the leadership team proactively take this ethos back to their directorates. The leadership restructuring has slowed this culture shift and we have not yet seen sufficient evidence of this being embedded throughout the organisation. We still consider that without this essential element of self-reflection, the Council is missing an opportunity to learn from mistakes.

Having said this, Customer Journey has been seen as a corporate priority for several months, with the establishment of a robust framework, focused resources and performance improvement programme. We are seeing visible improvements for customers, MPs and Councillors during 2023/24, but this work requires continued focus by the Council.

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

Resident satisfaction via resident engagement surveys during 2023 continue to demonstrate high levels of satisfaction from a statistically relevant cohort. As we indicated in our last report, the Council has put in place a framework for resident engagement along with a commission for delivery of regular resident surveys, young person's SHAPE survey and budget consultation for the next three years. The evidence bundle, which includes performance information, demographic analysis and the outcomes from residents' consultation, has informed the refreshed business plans and Corporate Plan.

The Council has reviewed performance and compliance across its Social Housing stock and has developed a Compliance Road Map to address all the issues arising from this review. It has also strengthened governance arrangements for building safety and compliance with an officer group (the Building Safety and Compliance group) monitoring the main compliance areas plus damp and mould reporting to the Building Safety and Compliance Board chaired by the lead Member for Housing and the Built Environment and which includes external stakeholders. This work then feeds into the Housing Transformation Programme and responds to the Council's self-referral to The Social Housing Regulator regarding insufficient progress on electrical and gas safety checks and fire safety checks. We are satisfied that the new governance arrangements and focused action will deliver the improvement in performance required on these issues over the coming months.

3. The Council is showing signs of having greater political stability.

The Leader of the Council has now been in place since November 2021, with minimal changes to Cabinet Members during the period. As we reported in June there was little change in political leadership following the Local Elections in May 2023. This is still the case. It is our opinion that, alongside consistency in chairing arrangements and membership of Scrutiny and Audit Committees, this represents continued and significant stability in political arrangements within the Council. There is now further evidence through positive results from officer and member surveys regarding scrutiny arrangements. Cabinet and Council reports continue to enable evidenced based decision making and the Cabinet's decision making is now much more confident and mature. This includes continuing to consider that Scrutiny Committee calling in any decisions and any pre-decision scrutiny as a positive and constructive approach.

The improved culture and work on Member and officer relationships has continued and the Council published a new Member Induction Programme and new Member Handbook in May, together with a new Member Development Programme developed in partnership with the LGA. The Council has also agreed Shadow Cabinet proposals to enhance political governance.

The proposed support by LGA following the end of intervention will amplify and consolidate the progress and improvements in Member engagement and participation in governance and decision making in the Council.

These measures place the Council in a more robust position to be able to accommodate member/political change following elections with increased continuity and capacity to deliver the Council's business.

The Cabinet continues to work well as a team and has continued to take difficult decisions, for example, the business case to provide leisure services through a Local Authority Trading Company.

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

Here Cabinet demonstrated the commitment to take agile decisions that are responsive to a changing external environment and to obtain value for money through a revised approach.

There is significant evidence of an improved and strengthened relationship between Members and Officers. The Council is becoming more Member-led as an organisation with evidence of using the value of insight into how the culture is changing. For example, the Council conducted an employee engagement survey in the Autumn to follow on from the 2022 survey and ongoing member and officer survey on the effectiveness of scrutiny meetings.

4. The Council has ensured that there are effective scrutiny arrangements and functions in place for Council decisions, and that members and officers demonstrate that they understand and respect their roles in Council business.

The Council has completed its full review of the constitution and this is in the process of implementation. Commissioners have observed that Scrutiny and Audit committees are well run and chaired effectively. Scrutiny work programmes are now focused appropriately on priority areas. Effective pre-decision scrutiny is now a normal function of the committee's work and the Cabinet does accept constructive feedback to help aid decision making. Examples of this work are; the review of the Oracle Fusion programme and implementation, a review of the playing pitch strategy, evaluating the progress on both the customer journey and the transformation programmes. The Council's performance framework measures have also been scrutinised by the committees.

The scrutiny and Member development programmes are now well-established features in the Council which are supported by the LGA and are now in their third iteration.

We also observe that both internal and external audit works effectively with Members and officers.

5. All the recommended actions from the LGA, CIPFA and Grant Thornton reviews have progressed, or a concrete plan is in place to action them.

The Council has continued to progress action to address the recommendations from all the external reviews with the Council's improvement plan incorporating action against all of the recommendations from LGA, CIPFA and Grant Thornton reviews. A refreshed Corporate Plan was approved in June 2023 and this now demonstrates how the improvement plan is embedded in business as usual.

A Regeneration Strategy and Pipeline has been developed to underpin significant regeneration in Sandwell which was approved by Cabinet 23 March 2022. This is now published and available on the Council's website.

Grant Thornton have made four additional (non-statutory) recommendations to support the ongoing improvement work of the Council in this regard outlined in section 4 of this report. We believe that this reflects the continued good progress made by the Council and will assist in consolidating improvement in the longer term. It will be important to reflect Grant Thornton recommendations within the post intervention support offered by the LGA.

The LGA have continued to support the Council and have been working with the Council to develop a post intervention support package described earlier in this report.

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

6. The Council has developed an organisational culture, at all levels, where staff are enabled and empowered to constructively challenge and improve ways of working.

The 'One Team' framework has now been implemented across the Council by the Chief Executive and there is evidence that existing Council policies and procedures have been amended in light of the new values. The values are also reflected in a new 'bottom up' appraisal system. The new Council values and behaviours are mentioned in recruitment material and are also woven into the refresh of the Corporate Plan. There is a real sense of cultural change between officers and Members. There are now a range of staff focus and pulse groups to enable feedback and staff survey results are taken seriously by the Chief Executive and senior team.

7. The structure of the Council fits within a bigger corporate plan and is designed in such a way to enable it to meet its wider objectives.

As most of the Improvement Plan is complete, the Corporate Plan is now taking primacy as remaining improvement actions are incorporated into the Plan itself and also into Directorate plans. This indicates a significant move towards improvement being 'business as usual'. The main evaluation and 'early warning' system is now the rigorous performance management framework. This has successfully been embedded into the organisation, with regular update and challenge at the senior leadership team, Cabinet, Scrutiny and Full Council meetings. The senior staff restructure has been based on the objectives in the corporate plan.

The Council is now using results from surveys to inform the corporate planning and guide prioritisation. The results from the Employee Engagement Survey show that 73% of respondents were aware of the Council's long-term goals (increased since 2022 and 11% above LA benchmark) and 90% of respondents understood how their work contributed to the objectives of the service. This demonstrates that staff understand the bigger picture and the wider objectives of the Council.

8. The Council has demonstrated that it is developing and deepening relationships with external partners across the region and sector.

We have seen continued progress in developing the relationships between external partners. Both the new Chief Executive and the Leader are fully engaged across a wide range of local and regional partnership groups. The recently launched Family Hubs show the strength of the Council's partnerships at a local level, as did the Cost-of-Living Emergency Summit in March 2023, which brought together more than sixty public, private and voluntary sector partners to coordinate efforts to support the community through the crisis. This was an excellent example of the Council's refreshed approach to this work.

The Council has also worked collaboratively with partners to codesign the Sandwell Tackling Poverty Plan, which seeks to address the underlying causes of poverty in Sandwell. The plan was launched at a further Cost of Living Summit in October 2023, where over 80 partners participated and agreed ways to work together to deliver the plan presented to Cabinet in November.

The Council Leader has responsibility for the Inclusive Communities Portfolio for the WMCA and, in September, Sandwell hosted the Race Forwards Strategy for the region and the Council has taken the

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

opportunity to work with Central Government on a Levelling Up Partnership to bring forward robust proposals for the area.

The Council has been successful in becoming one of the first areas to be awarded funding from central government for the development of a Levelling Up Partnership. The Levelling Up Partnership will focus on the Wednesbury area of Sandwell and build upon regeneration and plans in place to deliver ambitious projects for the community with £20 million investment. This follows on from Sandwell gaining over £107million investment from funds including the Towns Fund and the Levelling Up Fund.

The partnership will help the Council deliver much-needed new homes, help tackle crime and antisocial behaviour, improve green spaces and Wednesbury town centre, and expand the Millennium Centre so that more can be done to give people the skills they need to secure better jobs. The Council will need to ensure ongoing, sufficient capacity and capability to deliver the Levelling Up Partnership plans.

We have also continued to see relationships with Sandwell Children's Trust (SCT) improve significantly with a new contract agreed recently, a joint approach agreed to addressing funding for social work vacancies (The Sandwell Deal), and a joint partnership bid to the Department of Education to fund for a Families First Pathfinder (Wave 2). This bid and the process will have a significant and positive impact on the partnership work across children's services in Sandwell. We also continue to see increased engagement with the Voluntary and Community Sector and Trust reports are routinely considered appropriately as part of Scrutiny arrangements. This builds on the recent progress exemplified in the move from 'Inadequate' to 'Requires Improvement' in the most recent Ofsted inspection.

Finally, in our meetings with local MPs they have emphasised that improvement is visible and ongoing, but they rightly identify the need for the Council to continue to focus on customer journey and responsiveness. They have seen considerable improvement across the Council from customer service to anti-social behaviour responses to political stability. One example of visible improvement is the responsiveness to MP enquiries where response times have improved from an average of 82 days two years ago, to nine days. They rightly identify the importance of ensuring that improvement is both embedded and sustainable after the intervention has ended.

9. The decisions made by the Council are done so via well understood and transparent channels and supported by evidence.

Commissioners have observed the correct governance being followed in Council decision making processes. Reports are thorough and contain relevant options for consideration. Risks are highlighted effectively, as are the expected outcomes of each potential decision. One such example was the decision making around Leisure Services and the shift from a proposal to establish Local Authority Trading Company (LATC) to a revised contractual arrangement with Sandwell Leisure Trust.

The Council is also developing a range of data and consultation programmes to inform decision making. The 2023 State of Sandwell report indicates areas of positive change in outcomes for Sandwell residents since 2017 as well as areas for focus. 'Heat maps' are being used to tackle youth unemployment, matching addresses of unemployed young people to targeted employment opportunities. 'Evidence bundles' have been compiled across core corporate functions and have been

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council

used to inform business planning for 2024/25. Ward and Town plans are bringing additional insight into shaping local priorities and an approach to neighbourhood working.

There is a continued focus on residents' concerns, issues, and opinions. Resident consultation has been undertaken for the second consecutive year to inform business plans and budget priorities. A tenant engagement conference has taken place to better inform arrangements for housing.

The Council has developed a Consultation Hub platform which provides organisational oversight of consultation feedback, coordinating the many Council consultation exercises. An effective Tackling Poverty Strategy for Sandwell was co-designed with partners with an absolute focus on residents.

10. The Council has demonstrated that it is focused on continuously improving in all areas and has robust processes in place to collect and analyse data on its delivery, and to manage its performance effectively.

The Council has further developed its performance management framework which is regularly monitored and reviewed by the Council's Leadership Team and Cabinet. This work continues to enhance the capacity of the Council to identify performance issues and acts where necessary. The Council has introduced new business planning arrangements which have a strong accountability framework linked to Assistant Director and Director performance. This work feeds into other corporate planning arrangements such as the corporate plan and MTFS.

As we indicated in our last report a comprehensive monitoring tool has been developed by the Council which includes a progress status rating for all actions within the Improvement Plan, and this approach has been adopted for monitoring delivery of the Corporate Plan. The monitoring tools provide 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.

Progress against each theme of the Improvement Plan continues to be contained within the Improvement Plan Annual Report to Full Council which includes milestones achieved and impact since the previous report.

Continuous improvement and lessons learnt activity is apparent throughout the Council and is increasingly business as usual with a continuous improvement framework and lessons learnt framework developed which now provides a set of standards, tools, techniques and guidance.

Since our last report, the Council has achieved national recognition in a range of areas:

- Winning the regional Large Employer of the Year at the Apprenticeship Awards
- Winning the regional Young Leader of the Year award - SHAPE
- A Municipal Journal Award for Sandwell's Emotional Wellbeing Programme
- Green Flag Awards – Obtaining a record breaking 15 parks and green spaces Green Flag awards in Sandwell
- Forge Mill Farm winning the regional conservation award
- LGC Awards - Sandwell Language Network
- National Planning Awards 2023 – Award for Plan Making West Bromwich Masterplan

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- One of the planning team has won National Young Planner of the Year Award after becoming the West Midlands Young Planner of the Year earlier in the year
- Sandwell securing two awards at the national Children and Young People Now Awards in November

These awards are representative of the Council being more confident in itself and looking outwards rather than focusing internally, a concern in our earlier reports and in Grant Thornton's original report as well as the LGA's original Peer Review. This renewed focus on outcomes for residents and civic pride underpins the organisation's new values and behaviours framework.

This external recognition also demonstrates and recognises the continuous improvement being made by the Council across a range of functions and activities, but this success is now underpinned by a strong approach to learning lessons in areas requiring more work to improve.

11. The Council has demonstrated that it is financially resilient and makes investment decisions in the context of a longer-term financial plan.

The Council has demonstrated financial resilience in the production of a Medium-Term Financial Strategy (MTFS) and has closed the budget gap for 2024/25 with a slight surplus. Although the budget for Special Educational Needs & Disabilities Home to School Travel Assistance is over budget and this requires substantial work to ensure it is managed effectively over the coming years, the overarching revenue budget for 2023/24 is set to balance at the end of this current financial year. The transformation programme has been developed further and now lists a number of longer-term corporate projects which are set to capture savings in the next three financial years. As a result, we believe that the Council's MTFS is now resilient, but will continue to require transformation activity over the long term.

12. The Council has considered properly and decided as to whether to move to a four-yearly electoral cycle.

As reported in our letter to you in December 2022, we consider this question was properly considered by the Council, that a comprehensive report was properly considered and debated.

The Council have a plan to revisit this decision when the Boundary Commission complete their review of Sandwell boundaries in 2025.

4. An update on the statutory recommendations made by the Council's Auditor, Grant Thornton and our views on recent feedback from the Auditor.

Grant Thornton's Value for Money Governance Review 2021 has been recently subject to a review by Grant Thornton, completed in December 2023. The headline outcome is that Grant Thornton is now satisfied that the Council has made good and significant progress against the three statutory recommendations, and that these can now be lifted. They found no evidence of any significant

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Sandwell Metropolitan Borough Council

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Assistant Commissioner
Sandwell Metropolitan Borough Council

weaknesses in relation to the last 13 Key Lines of Enquiry (KLOEs) reviewed in this report. (Five of the original 18 were resolved in their previous report in 2022).

Grant Thornton have made four additional recommendations, which we consider support the ongoing improvement work of the Council and build on the work in progress in these areas.

These are:

1. That 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. This is to facilitate 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 are realised.
2. That 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.
3. That 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 Sandwell Children's Trust (SCT) and the effective management of SCT's operational and financial challenges, industrial action in the waste service, putting a clear plan in place for the subsidy to Sandwell Leisure Trust (SLT) being eliminated, financial statement production, and reducing reliance on the level of interim appointments in the finance team.
4. That 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.

It is therefore significant to note that the Council no longer has any current statutory recommendations in place, which re-enforces our view regarding the progress the Council has made over the past two years. We believe the additional recommendations are appropriate and that the Council is already independently working on these issues. The Council has already reflected recommended action in the Council's continuous improvement plan and processes.

5. Our views on next steps for the intervention

We consider that significant progress has been made against our '12 proxies for success' and the priorities we outlined in our third report. The Council's Leader, new Chief Executive, Members, directors and officers have continued to make excellent progress towards the significant challenge before them and have continued to work hard and work together to deliver improvement. They have

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worked closely and collaboratively with the Commissioners to ensure continuous improvement and action is embedded throughout the Council.

This progress is also now reflected in the independent views of Grant Thornton resulting in the lifting of the three statutory recommendations. We are therefore encouraged that progress has continued, and that we are still seeing the triangulation between our views and those of the independent auditor and the work the Council is prioritising. The Council still has work to do in some areas, but we believe there is significant evidence that the improvements of the past twenty-one months are both embedded and sustainable, and we are seeing a Council able to demonstrate this is the case.

We believe therefore that the Council is now more resilient, that improvement is more embedded in the culture and values of the organisations and that continuous improvement is now sustainable. With the continued support of the LGA over the next year and beyond we envisage improvement to continue on the current trajectory within the Council

In our last report we indicated that it was the expectation that, on the appointment of a permanent Chief Executive, we would begin to 'step back' from the Council. We have therefore undertaken to provide support to the Council where necessary over the past six months whilst reducing our time at the Council. We challenged the Council to work towards putting in place arrangements to sustain improvement following the exit of Commissioners. We believe the Council has made significant progress in this area, both with our support and that of the LGA, CIPFA and Grant Thornton. This progress has been achieved as a result of considerable commitment and hard work from staff throughout the Council and it is important to recognise the collaborative and supportive approach Members, key managers and staff have taken to the intervention which has contributed to the impressive progress over the past two years.

To conclude, we now believe that the Council has reached this point in its improvement journey where it has the capacity to continue this work without the support of Commissioners. Although there is still work for the Council to undertake to sustain improvement, build further resilience and continue to improve outcomes for residents, we consider the Council capable, with the support of the LGA, to continue this independently. We therefore recommend that the intervention ends on 22 March 2024 and that Commissioners exit at this time.

We look forward to receiving your response and your views and plans on the next steps for the intervention.

Yours sincerely,

Kim Bromley-Derry CBE DL
Lead Best Value Commissioner

Jim Taylor
Best Value Commissioner

Kim Bromley-Derry CBE DL
Lead Commissioner
Sandwell Metropolitan Borough Council

Jim Taylor
Assistant Commissioner
Sandwell Metropolitan Borough Council