

**Cabinet
2023**

12th July

Corporate Peer Challenge – Bromsgrove DC and Redditch BC 2023

Relevant Portfolio Holder	Councillor May
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Report Author	Chief Executive k.dicks@bromsgroveandredditch.gov.uk 01527 881484
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

- 1.1 It is recommended that Cabinet:
 - a. discuss and note the Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback report (Appendix A) which took place in March 2023.
 - b. discuss and endorse the Councils response (Appendix B) and supporting action plans (Appendices C to G).

2. BACKGROUND

- 2.1 Since 2012 the LGA has provided, as part of its support to the sector, the facilitation of CPC reviews whereby senior members and officers from other local authorities, supported by LGA staff, visit the Councils with the objective to inform their improvement plans and how to develop corporate learning. It is designed to be forward looking, and to facilitate reflection on issues and how they may be resolved. While it can be used as an external 'health check' on the authorities corporate governance, the peer challenge is not a form of inspection.
- 2.2 On the 7th December 2022 at the Bromsgrove District Council (BDC) Full Council meeting Members discussed a report which detailed the section 24 Statutory Recommendation given by the council's External Auditors, Grant Thornton. This outlined the key reason being the non-delivery of the 2020/21 financial statements, with further detail available in the Interim Auditor's 2020/21 Annual Report issued by the

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Auditors. Although an action plan to address the issues was agreed, Full Council agreed to commission a LGA CPC with a specific focus on corporate governance based on the information contained within these two reports. Redditch Borough Council (RBC) received similar reports in November 2022 and accepted the recommendation along with the action plan to address the issues identified. Due to the shared nature of the councils and the issues identified BDC and RBC agreed to jointly commission this CPC.

- 2.3 The five high-level themes adopted for all LGA CPC's provides the initial framework:
- a. Local priorities and outcomes: Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all its communities?
 - b. Organisational and place leadership: Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
 - c. Governance and culture: Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny?
 - d. Financial planning and management: Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
 - e. Capacity for improvement: Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?
- 2.4 The CPC was weighted to have a specific focus on corporate governance (within theme c of the above). In the context of the Section 24 recommendation and the associated Interim Auditor's 2020/21 Annual Report this focussed on understanding improvement requirements around governance systems and decision making. The CPC did not investigate the circumstances which led to the s24 notice, as this was part of a separate review undertaken by the Bromsgrove Audit, Standards and Governance Committee and was not requested at Redditch and sought to identify any learning and focus on areas of improvement for the future. As part of this, the wider system of checks and balances in place for local government including relevant council duties and legislation were considered in order to provide additional assurance to both BDC and RBC on their position. This included the peer team reviewing, but not being limited to the following areas:
- a. Governance and Culture:
 - Are governance arrangements effective?
 - How does the council deliver on its duty to deliver best value?
 - Are the roles of Members and officers clear?

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- What are the key governance issues from a political and officer perspective?
 - E.g. clarity, transparency, speed of decision making, accountability. To what extent are they structural or cultural / behavioral?
 - Is scrutiny welcomed and supported – both formal O&S and scrutiny more generally? Do all Members have the opportunity to inform and influence?
 - Does the Annual Governance Statement cover the key issues – and is it reflective / self-critical? When and how are the governance essentials reviewed? e.g. Constitution, Scheme of Delegation, etc.
 - How effective is the Audit, Standards and Governance Committee (BDC) and the Audit, Governance & Standards Committee (RBC)?
 - How strong are audit and governance arrangements - are the officer and Member responsibilities clear? Are the terms of reference for the Audit, Standards and Governance/Audit, Governance and Standards Committee effective?
 - Are there effective governance arrangements in place e.g. Audit, risk and the delivery of corporate objectives?
 - Are the arrangements for managing and monitoring delivery fit for purpose?
 - How does the council work with its Audit, Standards and Governance/ Audit, Governance and Standards Committee and its internal and external auditors to ensure effective financial controls are in place and to address issues raised?
 - How are major audit issues addressed, especially in relation to findings in the two reports highlighted earlier in this scope?
 - How is Worcestershire Internal Audit Shared Service working for BDC and RBC?
 - How are statutory officers fulfilling their role as laid out in relevant legislation?
 - Are there clear strategic risk management arrangements?
 - Is there a positive organisational culture – e.g. respect, transparency, performance management and challenge – and how is this reflected in behaviours and practice?
- b. Financial planning and management:
- Are financial reporting and audit seen as essential management and oversight tools?
 - Are financial systems, processes and controls adequate to ensure accountability for public money and accurate information for decision makers?

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- Do lead Members and management receive up to date and reliable financial management information when they need it?
- Are there effective and proportionate arrangements in place for the delivery of services across Bromsgrove and Redditch councils e.g. the approach to crosscharging?
- Is the reporting of monthly, annual and quarterly figures timely enough for action to be agreed and if necessary taken before the end of the next period?
- Are external auditors listened to and regarded as key partners in ensuring effective value for money and transparent governance?
- Are good and effective systems of financial management and administration in place, in areas such as income collection, investment returns, buying and paying and fraud and audit?

2.5 The CPC team comprised of:

- Joanne Wagstaffe - Chief Executive at Three Rivers District Council
- Councillor Peter Fleming OBE - Leader at Sevenoaks District Council
- Councillor Georgina Hill – Independent Member at Northumberland County Council
- Councillor Alan Rhodes – Labour Member at Bassetlaw District Council
- Peter Stachniewski - LGA Associate on Finance
- Sanjit Sull - Assistant Director (Legal and Democratic Services) at North Northamptonshire Council
- Helen Whiting - Head of Human Resources & Organisational Development at City of York Council
- Satvinder Rana - Senior Regional Adviser at the LGA

The Process

- 2.6 The peer team were based at both the Bromsgrove and Redditch offices during the four day review. There was an initial 'scene setting' and 'checking the brief' discussion with the Chief Executive and Leaders of the Council.
- 2.7 Meetings and discussion sessions then took place with a range of officers, members and other stakeholders/partners enabling the peer team to explore the issues relevant to the purpose, scope and suggested terms of reference for the CPC.

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- 2.8 At the end of the initial on-site activity (10th March) there was a feedback session and members of the Executive (Redditch), Cabinet (Bromsgrove), Group Leaders, Corporate Management Team were invited to attend and presented with the findings of the CPC.
- 2.9 This has been followed by a written feedback report (Appendix A), summarising the peer team's feedback with their recommendations for improvement.
- 2.10 Following consideration by the Corporate Management Team and Leaders of both Councils, a Council response to the CPC Feedback Report has been developed (Appendix B) along with more detailed Action Plans (Appendix C to G) to support the Councils response.
- 2.11 Members views are particularly sought as to what, if anything, else the Council should do to address Recommendations 2 and 6 (Appendix D) given the work currently ongoing, the fact that the Council is in a No Overall Control Situation and that the Council has agreed to investigate moving to a Committee system.

Six month Check-In

- 2.12 Six months after the CPC, the LGA will organise a CPC Check-In. This will be a short-facilitated session which creates space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps. Following this, the LGA will produce a short note which reflects the council's progress and provides examples of any good or innovative practice. The estimate dates for the Check-In at both councils would be around December 2023.

3. FINANCIAL IMPLICATIONS

- 3.1 The cost of the CPC is included within the authorities' annual subscription to the LGA. Other costs are internal ones related to officer time. The cost of implementing the CPC action plan will be met from current budgets (unless separate specific reports are required).
- 3.2 There are no direct financial implications arising from this report.

4. LEGAL IMPLICATIONS

- 4.1 None arising directly from this report.

5. STRATEGIC PURPOSES – IMPLICATIONS

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5.1 All Strategic Purposes.

Climate Change Implications

5.2 None directly associated with this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 None directly associated with this report.

Operational Implications

6.2 Addressed within the action plans.

7. RISK MANAGEMENT

7.1 No risks have been identified arising directly from this report.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback Report

Appendix B – Council response to CPC Feedback Report

Appendix C – Recommendation 1 Action Plan – Council Plan

Appendix D – Recommendation 2 and 6 – Governance and Engagement

Appendix E – Recommendation 3 – Workforce Strategy Action Plan

Appendix F – Recommendation 4 – Agile Working Action Plan

Appendix G – Recommendation 5 – Finance Recovery Action Plan

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May, Leader	June 2023
Lead Director / Head of Service	N/A Report author	N/A

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Financial Services	Pete Carpenter	June 2023
Legal Services	Claire Felton	June 2023

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Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Officer (if climate change implications apply)	N/A	N/A

LGA Corporate Peer Challenge

Bromsgrove District Council

Dates: 7th – 10th March 2023

Feedback report



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1. Executive summary

Bromsgrove District Council serves an attractive area of rolling countryside boasting several idyllic rural communities in stunning villages as well as the traditional and cosmopolitan market town of Bromsgrove. The council is ambitious in providing help and support to enrich the lives and aspirations of all its residents, businesses and visitors through the provision of high-quality services. The Leader has a very ambitious agenda on economic regeneration.

There is an ongoing commitment to shared services with Redditch Borough Council and this arrangement is working well across both councils. It is commendable that whilst each council retains political and democratic sovereignty, people see themselves as working for one organisation and are committed to serving the residents of both councils.

There is a dedicated and long serving cadre of staff who have a strong sense of belonging to the organisation and feel the organisation cares for them. There are also good Member and officer relationships but these need to translate into enhanced joint working so that the ambitions of the council can be delivered in the most effective way.

The council has a stated vision, strategic purposes and a set of priorities outlined in the Council Plan for 2019-23 and updated in the Council Plan addendum. However, there is a disconnect between what the council wants to deliver and achieve and the activities the organisation is pursuing. A lack of specific clarity about the desired outcomes from the delivery of the priorities means that priorities are open to interpretation. Clearer communication to staff on the priorities and the expected outcomes backed up with a robust performance management framework to track progress should help to ensure that organisational effort is invested in the right places.

There are also issues of capacity and operational mechanisms to deliver on ambitions and priorities; and whether these are aligned to make an impact. For example, capacity is constrained at the senior level in the organisation and in programme and project management both of which are critical in delivering on some of the ambitions particularly around the economy, regeneration and skills agenda.

Elected Members in Bromsgrove are hard-working, ambitious for their areas and focused on improving the quality of life for their residents. Whilst Members are engaged, their focus on strategic delivery of corporate priorities could be strengthened. Governance and decision-making processes are important, and the active involvement of all Members should be supported to move Members into a strategic space and away from operational delivery. Furthermore, an improved working culture at the political level, especially in council meetings, needs to be fostered to improve debate. Challenging Member to Member relationships could be improved by the modelling of positive behaviour. This is the responsibility of all Members, and group leaders have a particular role in modelling behaviour.

There are very strong, honest and trusting partner relationships in place at the senior levels through the Local Strategic Partnership and the council is to be commended as the peer team heard universal praise on this. The partnership is driven by a desire to improve local services, and everybody is committed to making a difference.

Partner relationships now need to be better invested across the whole organisation. This calls for appropriate officers to start building those relationships and networks at different levels within partner organisations to support more co-design and co-production of solutions and services, particularly at community and neighbourhood levels.

The council navigated the pandemic well and is now supporting its residents through the cost-of-living crisis – all within the constraints of the financial challenges facing local government generally. The organisation was able to put in place working arrangements that enabled it to respond to the challenges in the most effective way. However, the time is now right for a post-pandemic reset, particularly on working arrangements, across the organisation so that its modus operandi is fit for purpose and is geared to delivering the councils priorities in the most effective and impactful way.

Residents identified strongly with the areas in which they live, and they were broadly positive about the council. Nevertheless, there is room for improved, consistent, and timely communication and engagement across the organisation for Members, staff and residents so that they all understand what the council is doing, how it is doing it and the impact it is making.

The council is financially stable with a balanced budget, which in the current financial climate is positive. The task now is to ensure that plans for ensuring financial sustainability over the medium to longer term are in place and supported by robust delivery arrangements. The council must also ensure the recommendations made by the external auditor in the Section 24 Notice and 2020/21 Interim Annual Audit Report are fully implemented.

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. Recommendation 1

The council needs to review its strategic priorities and realign resources accordingly.

Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Bromsgrove.

2.2. Recommendation 2

The organisation should consider a governance review to improve decision-making.

There is room for improvements in the council's governance arrangements and a review will strengthen decision-making through more Member engagement and provide a greater level of scrutiny, challenge and assurance. It will also improve the processes and support arrangements across the council to enable Members to deliver on their democratic and leadership responsibilities.

2.3. Recommendation 3

Embed the 2022-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.

This will help to align organisational capacity, corporate resources, transformation,

workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.

2.4. Recommendation 4

Agile working principles and policies need to be implemented consistently.

This calls for flexible and hybrid-working plans to be supported by clear management and staff guidance on how this will work in practice for the whole workforce in an equitable way. Not having clear guidelines and parameters in place exposes the council to potential unequal and discriminatory practices leading to inconsistencies across the organisation.

2.5. Recommendation 5

Ensure the Section 24 Notice and 2020/21 Interim Annual Audit Report recommendations are fully implemented.

This is a key priority for the council as it impacts on the reputation of the council and statutory compliance. Furthermore, the implementation of the recommendations will lead to improved governance and financial management in the organisation.

2.6. Recommendation 6

Use engagement, shared values, and improved processes to create a positive democratic culture.

This means finding ways to involve a greater number of Members in the work of the council and fostering a more supportive and cordial culture between Members and enhanced understanding and joint working between Members and staff to strengthen the democratic process.

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:

- **Joanne Wagstaffe** - Chief Executive at Three Rivers District Council
- **Councillor Peter Fleming OBE** - Leader at Sevenoaks District Council
- **Councillor Georgina Hill** – Independent Member at Northumberland County Council
- **Councillor Alan Rhodes** – Labour Member at Bassetlaw District Council
- **Peter Stachniewski** - LGA Associate on Finance
- **Sanjit Sull** - Assistant Director (Legal and Democratic Services) at North Northamptonshire Council
- **Helen Whiting** - Head of Human Resources & Organisational Development at City of York Council
- **Satvinder Rana** - Senior Regional Adviser at the 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?

In addition to these questions, the peer team was asked to weight feedback on corporate governance in the context of the Section 24 recommendation and the associated Interim Auditor's 2020/21 Annual Report so that it focuses on understanding improvement requirements around governance systems and decision making.

3.3. The peer challenge process

This corporate peer challenge was a combined peer challenge conducted at Bromsgrove District Council and Redditch Borough Council over a four-day period.

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 to ensure they were familiar with both councils and the challenges they are facing. The team then spent four days onsite at Bromsgrove District Council and Redditch Borough Council, during which they:

- Gathered information and views from around 55 meetings, in addition to further research and reading.
- Spoke to over 130 people including a range of council staff together with 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. Local priorities and outcomes

The council has articulated its vision, strategic purposes and a set of priorities around economic development & regeneration, skills, health & wellbeing, housing, crime & disorder, financial stability, high quality services, and sustainability in the Council Plan for 2019-23 – and these have been reviewed as part of the Council Plan addendum. These are all based on the needs of residents and the locality and demonstrate a good understanding of the current and medium-term issues facing the council and the area it serves. Staff say they understand the council's vision and priorities and partners are complimentary about what the council is trying to achieve. Nevertheless, more work is required to embed the vision and priorities with partners and within communities so that residents also fully understand the direction of travel and the progress that is being made.

The council communicates and consults its residents on critical issues but should now move to better engagement to ensure wide and deep buy-in to its vision, which is critical. Members have a crucial role to play in the engagement exercise, as do staff. The council's workforce should be seen as critical to the communication and promotion of the vision and strategy because a proportion of council staff are local residents and thus capable ambassadors for the council.

As the council refreshes its Council Plan post 2023 there is an opportunity to develop, with partners and strategic stakeholders, an aspirational and forward-looking longer-term (5-10 year) shared vision and a strong and compelling 'place narrative' about how the council would like to see the area and its communities developing in the future. Developing a shared place vision through a strong story about the future of Bromsgrove and communicating this through clear and consistent messaging, engagement and communication with residents, businesses, and strategic partners will help to consolidate the council's place leadership role and secure both awareness and sustained buy-in to its ambitions and priorities. It will also bring clarity about how it will impact on residents, partners, businesses, and staff so that everybody understands how they fit into its future, what their responsibilities might be, and what outcomes they can expect.

At present there is a disconnect between what the council aspires to achieve and

what is being delivered. There is ample evidence of the outputs being achieved, but less so of the tangible outcomes. For example, one of the priorities of the council is around skills and to support young people to gain the skills they need, but it's not clear what activity is taking place to enable this to happen and what impact is being made in terms of moving young people into stable jobs.

There is a capacity issue in the council, and this is being compounded by three factors:

- (i) A lack of capacity at senior officer and programme/project management levels.
- (ii) Capacity being deployed on activities that may not be making an impact on delivering the priorities.
- (iii) Recruitment and retention in some the core areas, which is an issue across the local government sector

The organisation needs to match and better align resources to its vision and priorities. It also needs to improve performance management across the organisation so that there is a greater focus on measuring outcomes as well as outputs and not simply reporting on progress against activities. This calls for the political and managerial leadership to have a clear line of sight on performance information – presented in an easy to digest format such as a traffic light dashboard - to enable them to take corrective action where performance may be faltering. That said, it is good to see that the organisation is moving towards a data-driven model, and this should help to build a more robust performance management system and culture throughout the organisation.

There are stated objectives and documentation on equalities, diversity and inclusion issues, including an Equality Strategy 2022-26, in place. These now need to be translated into measurable outcomes for staff and residents so that all sections of the community and council workforce can benefit from not just investments in services but also the economy and access to education, training and good quality jobs – including those within the Council. The starting point for this is for the organisation to have accurate information on the make-up of its workforce against the protected characteristics as outlined in the Equality Act 2010.

There is clarity in the council on the importance of the Green Agenda, but it needs to

focus on delivery through a well-defined programme of work. This will also mean the council having greater clarity on some of the conflicting ambitions for additional housing and protecting the green belt. These are difficult issues to resolve and require a lot of work in terms of consultation and engagement with communities to find solutions.

4.2. Organisational and place leadership

There is established political and managerial leadership in the organisation, and it is delivering for the residents of Bromsgrove. Members are hard-working, ambitious for their areas and focused on improving the quality of life for their residents. The Leader demonstrated personal knowledge of local communities and her passion for the local area. Her leadership skills are recognised, and she is very well liked by partners and residents the peer team spoke to – *“she wants to do the right things and is here for everyone”*.

The Chief Executive and senior managers are approachable, liked and well regarded by staff and partners. However, there is a lack of capacity at the senior officer level as well as a high turnover of staff, which is holding the council back in terms of delivering its priorities at pace.

The council effectively uses partner capacity to shape and deliver priority outcomes. For example, the ‘Sunrise Project’ which worked closely with families struggling with issues including drug and alcohol addiction, debt problems, anti-social behaviour and school absenteeism was a successful project between the council and the Local Strategic Partnership. This was due to strong and productive partnership relationships at senior level which have been praised by strategic partners, community and voluntary sector and the wider county networks – *“by far the best partnership I’ve worked with”*.

The organisation plays its part at local and regional levels, but it could go further to benefit from shared learning and shared agendas. At present there is a lot vested in the role the Chief Executive plays on external forums – *“95 per cent relationship with the council is framed by the relationship with the Chief Executive”*. Whilst this is very positive, there is a risk that relationships are vested in one individual and both leading Members and other senior officers are detached from this. They also need to carve a place for themselves in this space to widen their perspective and provide

more distributive leadership of place.

There are a number of partnerships in place in Bromsgrove, such as the North Worcestershire Community Safety Partnership (NWCSP), the Strategic Housing Partnership, problem-solving task groups, etc. There is an opportunity to expand partnership working at the local level in Bromsgrove by working even more closely with Parish Councils and by ward Members engaging with them more actively. Parish Councils can be brought on-board through, for example, a Parish forum and a co-designed and co-produced framework for future engagement. This will help to strengthen relationships and facilitate better engagement and promote shared ownership of ambitions for Bromsgrove in their localities.

There are productive relationships with the trade unions and the council's workforce strategy provides a good framework to develop the organisation and its people. It now needs to be implemented at pace through a measurable action plan. Some of the critical areas to address are filling vacancies in key areas, for example finance, putting in place the necessary policies and guidelines to facilitate agile working, and improving internal and external communication and engagement. This means bringing more clarity on what is expected from staff and how they should work and ensuring that there are timely responses to external enquiries.

There is evidence that managers have discretionary leadership to manage services, however, lack of resources within current structures and recruitment and retention of staff was raised across numerous services by front line staff and service managers. This in turn is impacting on motivation and ability to deliver at the appropriate and needed pace in some areas.

Succession planning, creative recruitment and development of the workforce is acknowledged as a key strand within the workforce strategy to address capacity, but it was not clear that there was a commitment at all levels to enact.

Members in Bromsgrove have the potential to become more actively involved in the business of the council and within communities and become forceful ambassadors for the area with the right kind of training, development and support. This is inconsistent at present and needs to be improved so that they are fully briefed on their areas of responsibility and are working as effectively as they can. Members need good officer support, and they need to take up training opportunities which may

be available through the member development programme. These opportunities may incorporate induction training for new Members; external mentoring for new portfolio holders; corporate governance; leadership skills; equality, diversity and inclusion training; chairing skills; decision making; and communication – some of which will be mandatory for all Members. The Local Government Association can support the council in this work.

The council's shared services arrangement with Redditch Borough Council provides a huge opportunity to tackle some of the big issues in collaboration and bring consistency to the 'one organisation' ethos. Regular meetings between the Cabinet and Executive (in Redditch BC) to discuss issues common to both councils and how priorities of each council are to be delivered could help move this forward and enable both Member and officer capacity to be maximised.

4.3. Governance and culture

The necessary and standard governance, decision-making and risk management arrangements appear to be in place in Bromsgrove. The Cabinet is providing political leadership and the Leader is supported by four Cabinet Members with portfolios loosely aligned to the priorities of the Council. The senior management team provides strategic and managerial leadership with the Chief Executive supported by two directors and seven service heads.

Whilst governance, decision-making and risk management arrangements are in place it is not clear they are adequate or that good governance and decision-making and the management of strategic risk flows from them. There are various examples, such as the effectiveness of overview and scrutiny and robust organisational challenge, the visibility and role of front-line members in council business, officer accountabilities on delivery, and the role of Cabinet in policy and strategy development which demonstrate that governance and decision-making needs to improve and become better embedded within the organisation so that they can provide the necessary assurances.

There are generally good Member and officer relationships but these need to translate into improved joint working so that the ambitions of the council can be delivered in the most effective way. At present the roles of Members and officers are often misunderstood. This is partly due to frustration around provision of information

and perceived lack of delivery where Members find the need to step into the officer space. Clearer role definitions, greater understanding of demarcation lines, and better communication on delivery can help to resolve some of these issues. To ensure that this is embedded within the organisation the council may want to revisit the codes of conduct which regulate Member and officer behaviours and working relationships with each other. Members should lead this review through the Audit, Standards and Governance Committee. This will make it clear what the expectations of each party should be and how robust challenge can be handled to ensure proper accountability. Officers need to recognise the legitimate rights of Members for information in a timely way to enable them to perform their role and for Members to recognise that policy is the preserve of the council unless delegated and officers saying no is a legitimate outcome. Crucially, officers should ensure Members are fully briefed on the reasons for the approach.

Members could be even more effective if a larger number of them engaged more fully in the business of the council by providing constructive political leadership. At present some Members are disengaged from the governance and decision-making processes and their active involvement needs to be supported. Members raised issues around their ability to take part in the democratic process due to issues with timeliness of reports, shaping agendas, asking questions, provision of information, etc. These issues are easily rectified by putting in place the necessary processes and timelines.

Governance is a matter for the whole organisation, and everyone needs to play their part and ensure the process and the timelines work smoothly for the whole organisation. It is important that everybody starts thinking about corporate discipline and what good governance looks like to them at their level. This may be facilitated through a governance review which will require everyone to think about what needs to change and then to agree and make the necessary changes and incorporate them into the Constitution and business processes.

In addition, Member to Member relationships and behaviours requires attention. A better working culture at the political level, especially in council meetings, needs to be fostered so that some of the strained and challenging Member to Member relationships are smoothed and become more constructive. This is the responsibility of all Members, and group leaders have a particular role in modelling behaviour.

There is a dedicated and long serving cadre of staff who have a strong sense of belonging to the organisation and feel the organisation cares for them. The workforce also looks after each other and have established good support mechanisms between teams, peers and colleagues. Staff groups that the peer team met did indicate that they are fatigued and there is a need for an injection of clear messaging to ensure that priorities and support are known, and the workforce can be resilient to the future challenges.

The organisational culture is one where the staff feel supported and empowered to bring forward improvements. They are happy and want to help the council to respond to the needs of the different communities.

There is good staff communication and engagement with the Chief Executive through his monthly staff briefings and these need to continue and embed across all levels of the organisation. This could be extended to include the Leader so there is joint delivery of messages. Embedding this communication across the organisation will require the platforms and methods of staff communication to be widened so that correct and timely information reach all levels of the organisation. In addition, wider management engagement with staff could be improved through more face-to-face interactions which brings more visibility to managers and encourages them to go and talk to all their team members.

The council navigated the pandemic well and was able to put in place working arrangements that enabled it to respond to the challenges in the most effective way. Staff are proud of their response to the pandemic, and rightly so, however, some of the working methods deployed during the pandemic have continued and these may now not be the most effective for organisational performance. The time is, therefore, right for a post-pandemic reset across the organisation so that its modus operandi is fit for purpose and is geared to delivering the priorities of the council in the most effective and impactful way. It is important to ensure that the positive relationships, partnership working and cross directorate working that excelled during the pandemic are embraced and embedded into business as usual before silos begin to form again.

At present there is inconsistency around flexible and hybrid-working and it is not clear whether they are working for everyone in the way intended. The flexible and hybrid-working plans need to be supported by clear management and staff guidance on how

this will work in practice for the whole workforce in an equitable way. Lack of clear parameters and guidelines introduces the potential risk for unequal and discriminatory practices leading to inconsistencies across the organisation.

Investments in Agile working must lead to a more responsive and efficient organisation with a refreshed set of organisational values to help deliver better customer interactions and service delivery that meets the changing needs and expectations of residents. This means an increasingly flexible customer-focused workforce and improved processes that embraces the use of digital technology to deliver services and information online.

4.4. Financial planning and management

A key focus of the financial element of this review was the extent to which the financial issues that had resulted from the implementation of the financial system (which in turn had given rise to the Section 24 Notice) had been addressed.

The most significant issue was accuracy of the data available from the new system and the issues this caused for assessing the council's financial position. The cash receipting system implemented in February 2021 did not correctly allocate income between Bromsgrove DC, Redditch BC and Rubicon Leisure. Since November 2022, income has been correctly allocated, but work is ongoing on allocating cash received between February 2021 and November 2022. In addition, there are issues about the robustness of the data transfer from the old to the new system. Resolving past data issues has delayed the audit of accounts, with the audit of the 2020/21 accounts not expected to be completed until the middle of 2023 and consequential delays in subsequent year audits. Whilst discussions with council officers suggest that a reasonable level of confidence can be placed on the data they are using for financial reporting purposes, there remains a degree of uncertainty.

Issues arising from the finance system implementation together with staff turnover in the finance team meant there was a period of over a year during which members did not receive reports on the financial position of the council. There was no financial reporting to Members until the final month of the 2021/22 financial year, but it recommenced in 2022/23. There was a first financial quarter monitoring report to Cabinet in October 2022, followed by a second quarter monitoring report in November 2022, with the third quarter monitoring report going to Cabinet in March

2023. There is confidence that issues of financial reporting to members have been addressed although the reliability of this is dependent on the robustness of the underlying data produced by the financial system.

Staffing turnover in the finance team has also been a major issue. Eleven out of the sixteen staff in the finance team left the council over an 18-month period. There is a new interim director of finance and Section 151 officer who has been in post for just over a year and a permanent head of finance who has been in post for 9 months. Posts have been filled at lower levels of the structure although some key posts, including chief accountant, remain vacant. Members and officers indicated confidence in the way that the finance department is now being run. There remains a significant risk about what happens when the interim director of finance's contract comes to an end in June 2023 but the process for recruiting to the permanent role is underway.

Based on the best information available, it appears that council reserves are at a healthy level. The current forecast, following publication of the 2022/23 third quarter monitoring report, is that overall reserves will stand at £13.8m at 31st March 2023, with £6.1m held in a general balance and £7.7m held in earmarked reserves. These figures are above what would be considered a prudent level for a council of the size (£12.1m net revenue budget in 2022/23), and with the risk profile of Bromsgrove DC.

The council has historically maintained overall spending within budget. The impact of pay and price inflation in 2022/23, which is significantly above levels forecast when budgets were set, has made it particularly difficult to maintain spend within budget in 2022/23. The 2022/23 budget variance was forecast at £0.3m in quarter 2 monitoring but increased to £1.5m at the time that the 2023/24 budget estimates were reported to Full Council, largely because of the impact of the higher than budgeted pay award. The latest forecast in the quarter 3 budget monitor is that the overspend will be £0.9m. Whilst most of this is due to pay and price inflation, there is a significant (£0.4m) projected overspend in the amount that has to be paid to the council's leisure provider.

Provision was made within the budget for the impact in 2023/24 of the 2022 pay award, for energy and contractual price increases, and for the shortfall in base budget provision for the leisure contract. The budget also assumed a 2% increase in

pay in 2023 but this has been overtaken by the subsequent pay offer by the local government employers which will lead to a shortfall in budget provision for 2023/24. This issue will need to be addressed at quarter one monitoring in 2023/24. Overall, however, budget assumptions seem reasonable and, given the quarter three forecast overspend in 2022/23 is less than when the 2023/24 budget was set, the council should be in a position to manage spending within budget.

The council's Medium-Term Financial Plan runs to 2025/26. It is based on the assumption that external resources remain broadly at 2023/24 levels in future years and builds in assumptions about pay, prices and council tax increases. The only significant savings item forecast for future years (beyond 2023/24) is from service reviews tied in with implementation of the customer and digital strategy and redesign of Redditch Town Hall which were expected to deliver savings of £0.1m in 2023/24 rising to £0.4m in 2025/26. The forecast for the general fund balance is that it will remain broadly at the level projected for 31st March 2023 at 31st March 2026 i.e. around £6m.

In order to ensure that the council remains financially sustainable in the longer term and can meet local priorities, the council has identified a number of measures it needs to take to improve the efficiency and effectiveness of its services, including reviewing the effectiveness of the council's largest contracts, assessing the council's leisure and cultural strategy in terms of affordability, rationalisation of the asset estate, possible redevelopment of depots, and implementation of a new operating model tied in with digitisation of services. Each of these is a large project and the council needs to ensure that it has the programme and project management arrangements in place to deliver them. It will also need to identify one-off resources not only to meet the cost of these programme and project management arrangements but also to ensure that posts can be backfilled so that business as usual activity is maintained and that any redundancy payments can be met. Key to successful delivery of these changes will be lessons learnt from the financial systems implementation project as resolved and set out in the Audit, Standards and Governance Committee report of 9th March 2023.

There is a need for greater collective ownership by Members in the way council priorities are reflected in financial plans. Members need to be involved in identifying what the key priorities of the council are and what they are not and reflect those in

the way the council allocates budgets to services. This also means portfolio holders having oversight of budgets in their areas of responsibility and overview and scrutiny being able to scrutinise budget proposals. Furthermore, thought needs to be given to how stakeholders' views can be considered in budget decision-making processes. The council went out to consultation on the budget last year, but it is unclear how that then informed the budget later. Every council finds this difficult, but it is easier once priorities are clear, and people are aware of how delivery of the priorities ties in with the resources available.

One of the improvement recommendations of the external auditor is the need to improve the council's capital budgeting and ensure that the capital programme is delivered. There appears to have been considerable slippage in the capital programme in previous years which was mainly due to delays in delivery in the Burcot Lane housing scheme and limited opportunities, particularly during Covid, to use the Regeneration Fund. The Burcot Lane housing scheme is now nearing completion and as part of its budget setting for 2023/24 the council is focusing its regeneration efforts on delivery of the Levelling Up Fund programme and using all its capital programme to provide match funding for the Levelling Up Fund programme. The council should bear in mind that government funding is time limited and failure to deliver on time could have significant implications for the organisation.

The council should also look at arrangements that could improve the effectiveness of its internal audit arrangements. Weaknesses in strategic risk management mean that internal audit activity has not always targeted the highest risk areas. This led, for example, to internal audit's role in the financial systems implementation not being clearly defined. In addition, there do not appear to be clear processes in place for ensuring that internal audit recommendations are implemented. Improved effectiveness of internal audit would in turn contribute to increased effectiveness of the Audit, Standards and Governance Committee. Internal audit now starting to report to Corporate Management Team on progress is a good start.

4.5. Capacity for improvement

There is potential for the council to make significant improvements in the way it does business. The refresh of the Council Plan is due and once the priorities have been redefined it will be important to ensure that resources (both financial and human) are

realigned to them. This means putting the right skills in the right place with the necessary governance and decision-making arrangements to ensure the right kind of delivery. It will also be important to prioritise the actions that will lay underneath the priorities to ensure timely delivery.

Realigning resources will inevitably mean reviewing the current operational arrangements to ensure organisational capacity is utilised in the most effective way to facilitate the delivery of those priorities. The key areas to focus on will be the deployment of available workforce capacity; organisational culture and development; programme and project management; equality, diversity and inclusion; communications; systems and processes to ensure they facilitate delivery of priorities. Concerted effort and focus will, therefore, be needed to ensure that some key management processes are further developed and embedded into the organisation to enable it to move to the next level. This could include:

- (i) A much clearer and integrated strategic planning process that aligns the corporate plan with the financial plan, service plans, team plans and the employee appraisals process – all backed up with analytics and data.
- (ii) A robust performance management framework that tracks progress against corporate priorities through SMART and ambitious targets for the outcomes the council wants to achieve and provides a clear line of sight on progress to senior management and Cabinet through an easy to digest dashboard and traffic light system.
- (iii) A system for receiving, fielding, and responding to Member enquiries in a solution-based and timely manner.
- (iv) Ensuring the customer interface is effective and makes full use of digital communication, engagement, and transactions in addition to face-to-face interactions.

Getting these in place and strengthening existing management processes can provide some quick wins for the organisation.

5. Next steps

It is recognised that 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 six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Helen Murray, Principal Adviser for West Midlands, is the main contact between your authority and the Local Government Association. Helen is available to discuss any further support the council requires at Email:

helen.murray@local.gov.uk or Tel: 07884 312235.

Satvinder Rana

Senior Regional Adviser, LGA

(On behalf of the peer challenge team)

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Bromsgrove District Council and Redditch Borough Council – Corporate Peer Challenge Action Plan

Key Recommendations

Recommendation	Response / Action	Lead Officer	Timescale
<p>Recommendation 1 <i>The council needs to review its strategic priorities and realign resources accordingly.</i></p> <p>Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Redditch.</p>	<ul style="list-style-type: none"> • Agree with the recommendation. The Management Team will work with the Executive (RBC) and Cabinet (BDC) to review the priorities and non priorities. This work will start immediately with a view to seeking agreement to new Council Plans (in both Councils) in September. The new Council Plans will drive the review of the Medium Term Financial Strategy. • Action Plan attached 	Kevin Dicks / Deb Poole	September 2023 (for new Council Plan)
<p>Recommendation 2 <i>The organisation should consider a governance review to improve decision-making.</i></p> <p>There is room for improvements in the council's governance arrangements and a review will strengthen decision-making through more Member engagement and provide a greater level of scrutiny, challenge and assurance. It will also improve the processes and support arrangements across the council to enable Members to deliver on their democratic and leadership responsibilities.</p>	<ul style="list-style-type: none"> • Agree with the recommendation. Significant work is already being undertaken in this regard (attached) – members are asked to identify what if anything else is required. Depending on this there may be a requirement to commission external support (LGA/Peer lead(s)) 	Kevin Dicks / Claire Felton	TBC

<p>Recommendation 3 <i>Embed the 2022-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.</i></p> <p>This will help to align organisational capacity, corporate resources, transformation, workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.</p>	<ul style="list-style-type: none"> • Agree with the recommendation. Members agreed the Strategy commencement date should be 2023. • Action Plan attached 	Sue Hanley / Deb Poole	As per Action Plan
<p>Recommendation 4 <i>Agile working principles and policies need to be implemented consistently.</i></p> <p>This calls for flexible and hybrid-working plans to be supported by clear management and staff guidance on how this will work in practice for the whole workforce in an equitable way. Not having clear guidelines and parameters in place exposes the council to potential unequal and discriminatory practices leading to inconsistencies across the organisation.</p>	<ul style="list-style-type: none"> • Agree with the recommendation. • Implementation Plan attached 	Sue Hanley / Deb Poole	As per Action Plan

<p>Recommendation 5 <i>Ensure the Section 24 Notice and Interim Annual Audit Report recommendations are fully implemented.</i></p> <p>This is a key priority for the council as it impacts on the reputation of the council and statutory compliance. Furthermore, the implementation of the recommendations will lead to improved governance and financial management in the organisation.</p>	<ul style="list-style-type: none"> • Agree with the recommendation. • Action Plan Attached 	Pete Carpenter / Michelle Howell	As per Action Plan
<p>Recommendation 6 <i>Use engagement, shared values, and improved processes to create a positive democratic culture.</i></p> <p>This means finding ways to involve a greater number of Members in the work of the council and fostering a more supportive and cordial culture between Members and enhanced understanding and joint working between Members and staff to strengthen the democratic process.</p>	Agree with the recommendation. Significant work is already being undertaken in this regard (attached) – members are asked to identify what if anything else is required. Depending on this there may be a requirement to commission external support (LGA/Peer lead(s))	Kevin Dicks / Claire Felton	TBC

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Bromsgrove Council Priorities – Council Plan

Currently Bromsgrove District Council has a number of priorities which are underpinned by a set of key milestones. These priorities and milestones are set out in the current Council Plan 2019 – 2023 and in the Council Plan Addendum 2022/23. The Council Plan Addendum was created to provide an intermediary position ahead of a full review of the Council's long term priorities in 2023. The current key priorities for BDC are:

1. Economic Development and Regeneration
2. Housing Growth
3. Work and Financial Independence
4. Improved Health and Wellbeing
5. Community Safety and Antisocial Behaviour
6. Green Thread
7. Financial Stability
8. Sustainability
9. High Quality Services

These high level strategic documents, whilst outlining the direction of travel, also recognise that the council cannot deliver all of these priorities on its own. Considerable support and input from partner organisations will be needed if these, and future priorities, are to be successfully achieved. It is for this reason that the council will again need to determine its role in the delivery of its priorities and in the associated projects, to be categorised as either:

- **Lead** – to be the lead organisation in the delivery of the activity/project that delivers the priority.
- **Participate** – to be involved with partner agencies who will be leading the activity/project that delivers the priority.
- **Influence** – to work collaboratively with other partner agencies to persuade them to take a particular course of action/undertake a particular project.

Further highlighting the importance of the council's priorities were the findings from a recent Corporate Peer Challenge which recommended that:

The council needs to review its strategic priorities and realign resources accordingly.

Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Bromsgrove.

In order to deliver this recommendation the council will need to review its council plan and priorities during the coming months in order to have a clear direction of travel for the next four year council plan period. The high level timeline below sets out the four stages that will be required in order to have a refreshed council plan by September 2023.

Stage One – Community Panel Engagement

May 2023

Lead Officers – DP, BG, HM, EP

During the recent Corporate Peer Challenge, a number of members of the councils Community Panel volunteered to take part in a discussion with the peers about their opinions of the council.

These sessions were extremely successful and have led to the proposal to ask for Community Panel volunteers to take part in a priorities workshop to better understand what our communities think the council should be paying attention to over the next four years.

No	Task	Date	Lead
1	Establish a set of questions to initiate the discussions	May 2023	DP/HM/BG
2	Engage with the group to ask for volunteers	May 2023	HM/BG/EP
3	Set up meeting arrangements (remote or F2F)	May 2023	HM/BG/EP
4	Deliver the workshop	TBC	HM/BG/EP

Stage Two – Create Feedback Datasets

June 2023

Lead Officers – BG, HM, TB, KJ

After the Community panel workshop there will be a requirement to analyse the feedback and develop datasets for Members to use during a future Cabinet priorities workshop.

This analysis will also need to include Community Survey findings, recent and relevant Census data as well as the feedback from the volunteer community panel members. SMT and CMT will need to consider the areas for discussion ahead of the priorities workshop. A discussion will be scheduled for a CMT meeting at the end of June where the data can be discussed.

No	Task	Date	Lead
5	Collate feedback from panel meeting, include Census and Community Survey data	June 2023	HM/BG/TB
6	Develop user friendly data sets for Member workshops	June 2023	HM/BG/TB
7	Circulate data to SMT/CMT prior to the Member workshop	June 2023	HM/BG

Stage Three – Member/SMT/CMT Priorities Workshop

July 2023

Lead Officers – KD, ?? ??

This workshop will allow the Cabinet along with the senior leadership team to discuss and explore what the priorities for the next four years should be. This will also provide an opportunity to rationalise and focus in on the right priorities. By establishing a clear and concise set of priorities the council will be better able use its resources to deliver the things that matter to our communities.

The datasets and agenda will circulated closer to the date.

No	Task	Date	Lead
8	Create agenda and establish approach	July 2023	DP/HM/BG/KD
9	Set up workshops meeting arrangements (remote or F2F)	July 2023	HM/BG
10	Capture feedback from the meeting	July 2023	HM/BG/EP

Stage Four – Develop New Council Plan

August/Sept2023

Lead Officers – DP, BG, HM

The new council plan will need to be ready to go forward to members for approval in September 2023. A draft will be required for SMT/CMT in early September for comments and amendments ahead of member approval.

No	Task	Date	Lead
11	Collate feedback from Member workshop	Aug 2023	HM/BG
12	Create first draft Council Plan	Aug 2023	DP/HM/BG
13	Circulate draft to SMT/Leader for feedback	Aug 2023	HM/BG
14	Include final feedback and create final draft	Sept 2023	HM/BG
15	Final draft to Cabinet for approval	Sept 2023	DP/HM/BG

Links to the Medium Term Financial Strategy

The review and update of the Council Plan and priorities will create a clear direction of travel for the next four year council plan period. Internal resources are already allocated to this project for the May to September period and therefore fully budgeted. Any updated set of priorities, once agreed by Council in September, will then become part of the 2024/25 Medium Term Financial Plan (MTFP) Process.

Like the 2023/4 MTFP process, the initial Tranche of pressures and savings linked to the new Corporate Plan will be actioned before Christmas. A second tranche will be delivered in February 2024. Where Council Plan priorities affect the 2023/4 year financially, changes to budgets will be actioned and approved through the quarterly financial and performance monitoring reports.

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CPC Action Plan – Governance and Engagement Recommendations 2 and 6

There are a significant number of actions already taking place which will hopefully improve the position:

- The Constitution Review Working Group (CRWG) meets throughout the year to review the Council's constitution. Proposed changes are designed to make the Council operate in a more effective manner.
- Key decision threshold – the threshold for key decisions which have significant implications in terms of expenditure and savings is in the process of being reviewed at the Council to make sure that this is made fit for purpose, having not been reviewed for many years. Proposed changes will be reported to the CRWG before reporting on to Cabinet and Council for consideration.
- Officer decisions
 - Training has been delivered to CMT and some fourth-tier managers on the subject of officer decisions.
 - Officer decision training has been booked into the corporate training calendar which the Monitoring Officer will deliver.
- Committee Report template
 - The template was reviewed and updated in 2021 to streamline and simplify report writing processes. For the first time, report authors are required to link their proposals to the Council's strategic purposes.
 - The report writing guidance was produced at the same time to provide a helpful guide for report authors on how to write a report using the template. It also provides useful information such as guidance on the information in a report that can be exempt etc.
 - The Committee report template, guidance and officer decision forms can be accessed by staff from the home page of the Orb.
 - There is a sign off section at the bottom of the new report template. The aim was to provide senior officers with a chance to check whether their staff are following the proper process by consulting with the right people. This will be enforced.
- Report writing training – report writing training is being provided by an external trainer, following consultation with Democratic Services regarding the Council's report processes. Good feedback has been received from people who have attended this training.
- Late reports – The Interim S151 Officer and Monitoring Officer now hold meetings just prior to the statutory deadline for the receipt of Cabinet reports. They are rejecting any late reports received after the report deadline, unless considered urgent and / or there are reasonable grounds for late submission.
- The Council has introduced and tested meeting owls. The owls are much more efficient to use and easier to set up than the Council's polycom devices, with a better quality audio visual system. This enables staff, partners and members of the public who are unable to attend a meeting in person to participate remotely via Microsoft Teams in a hybrid arrangement. The tests have also successfully involved live streaming meetings, involving a member of staff logging onto Teams remotely. Subject to further discussion by CMT

and Members, further use of the owls and live streaming may assist the Council to improve the transparency of the local decision making process.

- Hybrid and remote meetings – whilst Members continue to be required to attend formal meetings in person, Council staff (with some exceptions), partners and members of the public can be offered the chance to attend Committee meetings remotely, via Microsoft Teams. Informal meetings, such as Chairmen's briefings, are often held remotely. This builds on using skills developed during the pandemic and allows for greater flexibility as well as a reduction in carbon emissions associated with Committee meetings.
- Independent Person – Standards Regime – The Council is in the process of exploring the potential to join the Worcestershire Independent Persons pool. This will help to achieve efficiencies and enable the Council to involve a greater number of independent people with relevant expertise in standards investigations.
- Bromsgrove Audit Task Group investigation – Council officers facilitated the Audit Task Group's investigations and insured that the findings were recorded and published in an open and transparent manner. The Council has considered the group's findings and proposed actions are in the process of being implemented by Council Officers.
- Budget Setting – the budget setting process has improved considerably, from a democratic perspective, this year. The Finance and Budget Working Group have been regularly involved at every stage. The inclusion of different tranches of savings allows for Overview and Scrutiny Members to consult on different options with interested parties, should they wish to do so.
- Modern.gov Report Management – the Democratic Services team have been working closely with the Business Improvement Team (BIT) on the introduction of the report management system. This will take time to implement but should result in improving the efficiency of the democratic process, improvements in version control in respect of reports and encourage report authors to take greater ownership of their own reports, thereby supporting positive culture change.
- The Cabinet Work Programme (Forward Plan) is published on the Council's website using the modern.gov system. In addition to giving notice of forthcoming key decisions in the work programme, the Council also gives notice of forthcoming non-key decisions in the work programme, to ensure that the authority is as transparent as possible in relation to forthcoming business.
- Reducing Committee paperwork
 - Members and senior Officers can use the modern.gov app, including the private modern.gov, to access and annotate Committee papers.
 - Joint Modern.gov app training was provided to Members on 25th May and one-to-one training has also been provided to individual Members where requested. Further training can be offered.
- Democratic Services team – two members of the team are currently in the process of undertaking the Association of Democratic Services (ADSO) Certificate in Democratic Knowledge. This will help those team members to learn about best practice for implementation in the workplace. The Principal and Senior Democratic Services Officers are both members of ADSO and monitor key developments in the sector based on information shared by this professional body.

- Constitution Review – External support has been secured for a review of the constitution.
- Improved Performance and Project Management in place with need for clearly agreed project plans. Project Management of key projects is included in the quarterly Monitoring Reports.
- At the Annual Council meeting in May 2023 a coalition Cabinet, comprising Conservative and Independent Councillors, was confirmed.
- A Labour Councillor has been appointed as chairman of the council for the 2023/24 municipal year.
- Councillors not representing political groups involved in the coalition on the Cabinet, have been appointed as Chairmen of the Audit, Standards and Governance Committee and the Overview and Scrutiny Board respectively.
- The Council is exploring having member champions for issues such as homelessness.
- The Council has a Member Development Steering Group which co-ordinates member training and induction arrangements.
 - Meetings take place throughout the year and extra meetings can be convened where required.
 - The group can and do consider requests for additional training to take place during the year. For example, in 2022/23, an extra Code of Conduct training session was held in January 2023.
- The induction event that was due to take place on the evening of 10th May 2023 did not proceed in the form originally planned due to the significant changes arising following the local elections in May 2023. Officers are currently exploring potential dates on which to hold the postponed induction event, to which a representative of the LGA will be invited to attend.
- Joint training - at the request of the Member Development Steering Group, a lot of the training is taking place jointly this year with Redditch Borough Council. This helps to achieve efficiency savings and provides opportunities for Members to network with Councillors from another authority. However, where members did not feel joint training was appropriate, separate sessions are being held. (E.g. the Council's Overview and Scrutiny training session was delivered to Bromsgrove Members only).
- In person training - At the request of the Member Development Steering Group, a lot of the training in the first few months after the elections is being held in person, rather than remotely. Members felt that this would support new Councillors more effectively and would also be helpful in the first few weeks until new Councillors received their Council IT equipment. Since the elections, some Members have indicated that they might struggle with attending training in person. Therefore, it has been agreed with group leaders that the assumption will remain that training will be attended in person but where reasonable notice is provided, a link to the training will be provided to a Member, if possible, to enable remote participation.
- The following training is due to be or has already been provided to Members this year as part of the induction process:
 - Code of Conduct (covering the Member Code of Conduct and standards regime. Separate code of conduct training sessions are provided to Parish Councillors.)
 - Planning (including two planning refresher training sessions)

- Licensing (including training in respect of chairing Licensing Sub-Committees.)
- Chairing skills training – There is a training session due to take place on 5th July but one-to-one training has also been offered to new Chairmen prior to this to enable them to fulfil their roles (An LGA booklet on chairing meetings has also been included in the induction packs.)
- Data Protection
- Safeguarding
- Civility in Public Life including Social Media – this training is being delivered jointly to Councillors from all Councils in Worcestershire apart from Wyre Forest District Council (The LGA's guide to Members' use of social media was also included in the induction packs)
- Overview and Scrutiny
- Audit, governance and standards (covering audit functions and corporate governance)
- Carbon literacy
- IT training including cyber security training (For new Councillors. Cyber security training was provided to Members at both Councils in December 2022)
- Modern.gov app
- Civil leadership in emergencies
- LGA training
 - The LGA sessions designed for new Councillors have been included in the induction programme and promoted to new Councillors.
 - The political leadership sessions provided by the LGA are being promoted to group leaders and specific Members following the elections.
- Mandatory Training
 - Invitations are sent to Members in plenty of time and for the induction process the induction programme, detailing all forthcoming training, has been included in the induction packs so notice is being provided to all newly elected members on forthcoming training dates.
 - There is a long standing practice whereby Members are mandatorily required to attend planning and licensing training before they are permitted to serve on the Planning Committee and Licensing Sub-Committees.
- The Member Development Steering Group met on 14th June 2023. During this meeting, the group agreed that further mop up training should be delivered in the autumn. Officers will work to arrange follow up training and will communicate the dates of these sessions in due course to Members.
- Evaluation forms are being circulated after every session and the feedback will be reported to the Member Development Steering Group to provide them with an opportunity to consider amendments that could be made to improve the induction and training arrangements in future. The group have agreed that group leaders should consult with their Members about the outcomes of the training and report back their comments at the next meeting of the group due to take place in October 2023.
- Interactive training - At the request of the Member Development Steering Group, training is designed to be interactive wherever possible and trainers are always asked to avoid "death by PowerPoint".

The main areas of concern as outlined in the CPC report were as follows. Included under each area are possible other actions / ideas to address:

These are the 5 things:

- **The effectiveness of overview and scrutiny and whether there is robust challenge within the organisation**

The Chairmen of both the Audit Committee and the O&S Committee have been offered places on LGA training / development sessions.

Specific training, including the detailing of the key legislative documents and the responsibilities of Statutory Officers, Auditors (Internal and External) and the Audit Committee has been delivered.

The Centre for Governance and Scrutiny (CfGS) is due to deliver an update to the Overview and Scrutiny Board in relation to the review of the committee system at a meeting on 10th July.

- **The visibility and role of front-line members in council business and whether they are adequately engaged**

All members have access to reports of the Cabinet and can attend meetings to observe discussions. There is also the opportunity for O&S to scrutinise any items.

More all member briefings will be arranged on key policy / strategic items / items of interest for members. Feedback from Group Leaders on areas to be covered is welcomed.

It has been agreed at Bromsgrove that Cabinet Members will do periodic, at least 6 weekly, update reports to members and hold face to face Q&A Sessions on the content of these reports and key decision items before decisions are made.

- **Officer accountabilities on delivery and how that is built into the performance management framework**

This is already being addressed through improved performance and project management and more rigour being applied to the quality and timeliness of reports. The Constitution is also being reviewed and where necessary the Member and Officer Codes of conduct will be reviewed. Any changes to the Performance Management Framework will be picked up as part of the Workforce Plan.

An updated report on project management and the effective “programme” management of the 60 plus projects being delivered at the Councils and their complex interrelationships including the prioritisation of resources will come to Cabinet in June.

- **The role of Cabinet in policy and strategy development and whether that is strong enough**

The Cabinet plays a strong role in Policy development with Portfolio Holders working closely with officers. This will be continued and reviewed where necessary and appropriate.

At Bromsgrove, with the significant changes in Cabinet, LGA training is being commissioned to ensure that the role of Cabinet Members is effectively discharged.

- **Improve joint working between Members and officers through clearly set out roles, responsibilities and demarcation lines – and improving communication and flow of information to Members.**

This will be picked up by a number of actions outlined above and those that are currently happening.

Workforce Strategy – Strategic Action Plan

The council has approved a four-year Workforce Strategy that sets out how the organisation will develop the capacity and capability of the workforce to achieve the Strategic Priorities set out in the Council Plan. The aim is to create a high-performance culture that drives effective and efficient service delivery.

The Council Plan will set out a clear vision for the outcomes the council wants to deliver for residents. The Workforce Strategy describes the way we plan to develop our current and future workforce to ensure we have the right people with the right skills, to enable the council to deliver the council plan. The strategy sets out the aims and plans for the next four years and demonstrates a commitment to our workforce.

It is recognised that the workforce is the organisation's most valuable asset. For the Workforce Strategy to be successful we must ensure that all staff feel engaged and motivated so that they can deliver the best possible outcomes for residents.

Delivering the Workforce Strategy will be vital for the long-term success of the council. It will be challenging and will take time to embed across the organisation. To support the delivery of the strategy a detailed operational action plan is being developed, which services will work to deliver over the next four years.

This action plan is based on the three key themes of the Workforce Strategy:

1. Workforce Planning and Talent Management
2. Engagement
3. Health, Safety and Wellbeing

Further highlighting the importance of workforce planning were the findings from a recent Corporate Peer Challenge which recommended that the council:

Embed the 2023-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.

This will help to align organisational capacity, corporate resources, transformation, workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.

A high-level strategic action plan has also been developed to demonstrate the direction of travel and to outline the key action points that sit under the three main strategic themes of the plan.

Some actions span across all three of the themes, but for ease have been included under the theme where most actions fall. The themes have been subdivided into broad subject areas. The actions consist of a combination of business as usual, new projects which have already been started and completely new workstreams. There are a total of 118 different actions within the action plan ranging from short term "quick wins" to long-term complex activities and projects.

Whilst the enclosed action plan gives indicative dates, these will be refined in accordance with the more detailed action plans managed within the organisation. The Strategic Action Plan will not be a static document but will grow and evolve over time as we see the impact of our actions and / or we are faced with new challenges. There are many interdependencies within the Action Plan and many of the activities cannot be done in isolation.

Whilst Human Resources and Organisation Development have had a major role in shaping the Action Plan and will provide extensive support around its delivery, the principal players in implementing the plan will be CMT, Heads of Service and service managers. Without them to lead on initiatives and activities staff will not engage in the changes we are trying to bring about to align our workforce with the changing environment in which we operate.

The strategic action plan is detailed in the following pages.

Theme One – Workforce Planning and Talent Management

Lead Officers – SH, DP, CF, BT, PS, HoS

Workforce Planning and Talent Management - the way we secure and retain the workforce that we need now and, in the future, whilst achieving an increasingly diverse workforce where everyone’s contribution is recognised and valued.

This is the largest of the three themes within the Action Plan with 65 separate activities allocated to it. These have been broken down into three areas for ease of communication:

- 1. Workforce Planning
- 2. Recruitment and Retention
- 3. Corporate Human Resources Policies

1. The main actions and timeframes for the **Workforce Planning** area are as follows:

No	Overarching Task	Examples of Key Activities	Date
1	Build on the work already undertaken to embed workforce planning as a key business process, using apprenticeships and other ways to build talent pipelines and make wider use of HR metrics to support decision making	Develop and implement robust service-level business plans containing longer-term detailed workforce plans, knowledge transfer plans and recruitment and retention plans	TBC
		Managers to use HR metrics to support decision-making, workforce planning etc	31/03/2024
		Increase the number of "true" apprentices employed by the council to help build a talent pipeline to support workforce planning by developing and launching a Corporate Apprenticeship programme. Encourage further use of the Apprenticeship Levy to support the development of existing staff to develop internal capacity for the future	31/03/2024

		Review the provision of agency staff so that it aligns to our Workforce Strategy and Workforce Plans for both ad hoc and fixed term agency provision	31/03/2024
2	Continue to support the development of our staff, extending this to explore opportunities for career development and succession planning	Managers to explore the options for career pathways and career graded posts, and provide development opportunities which allow staff to progress	31/03/2025
		Look at ways of evaluating the impact of L&D activities on performance, including creating measures to report on how these impact on performance	30/12/2024
		Use a variety of learning and development initiatives and tools to upskills staff including the corporate and service-based training programmes, Apprenticeship Levy, coaching and mentoring programmes, awareness sessions and on-line resources etc	31/03/2024
3	Embed leadership and management development within the culture of the organisation to provide a pipeline for future managers and leaders	Create inspiring leadership development programmes for both aspiring future leaders and potential senior leaders	31/03/2024
		Relaunch our Level 3 and Level 5 Management Apprenticeship programmes	30/06/2023
		Simplify and align Skills Matrix and Manager Role Profile with our Principles and expand the use of these tools in one-to-ones and appraisals	31/12/2023
4	Extend the use of appraisals and one-to-ones to support workforce planning, career development and succession planning to help us overcome the challenges that have been identified through the initial work on workforce planning	Review and relaunch corporate Appraisals, Personal Development Plans and One-to-One meetings ensuring that these are linked to workforce planning, career development and succession planning along with the allied knowledge transfer plans	31/08/2023
		Build on our approach to performance management to reflect the changing environment in which we work, understanding what “good” looks like, providing staff with recognition for high performance, and supporting staff if they struggle to achieve this	31/03/2025

	and to develop our workforce of the future	Identify potential high performing individuals and those with potential to be high performers as part of the appraisal process and set them personal development plans accordingly. Ensure that conversations about aspirations form part of appraisal and one-to-one discussions for all staff no matter what point there are at in their career	31/12/2024
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2. The main actions and timeframes for the **Recruitment and Retention** area are as follows:

No	Overarching Task	Examples of Key Activities	Date
1	Continue to review and develop our recruitment processes and methodologies, supporting managers with training, engaging with local schools and colleges to increase the pool of potential candidates and raise the council's profile as an employer of choice, thereby increasing our chances of securing the best possible candidates for vacancies	Continue to review our recruitment processes to ensure that they are flexible, fit for purpose and relevant to the roles being recruited to, and produce new recruitment policies, processes and procedures as necessary	31/03/2024
		Develop and promote our corporate brand as an employer of choice and promote the wider benefits of working in the public sector to make the councils more attractive to potential candidates	31/03/2024

2	Continue to review and build on ways of retaining talented members of staff eg HR policies and terms and conditions of employment, and further develop our induction process to support the successful on-boarding of new starters and staff moving into new roles within the council, to help us to become an employer of choice	Ensure that our policies and procedures support staff retention eg allowing opportunities for secondments and acting up arrangements etc. Review the current induction process and develop / launch a revised induction programme and process for all new starters and staff moving within the organisation which is used consistently for all new starters at both Corporate and Service level	30/09/2023
3	Continue to review ways of working such as Agile working and the use of digital and technological advances to enable more effective ways of working which support both customer-focused service delivery and employee wellbeing	Develop and launch the Agile Working Policy and ensure that the move to Agile Working is driven by a customer-service delivery focus	31/08/2023
		Understand how staff are using the workspaces at the councils' office locations and provide appropriate workspaces to enable staff to work in-house instead of remotely when needed	31/03/2024
		Managers, supervisors and team leaders to undertake training to enable them to manage remote and hybrid workers effectively and consistently	Ongoing

The main actions and timeframes for the **Corporate HR Policies** area are as follows:

No	Overarching Task	Examples of Key Activities	Date
1	Ensure that our policies and procedures are fit for purpose, promote our principles and culture and support recruitment and retention	Continue to review all corporate employment policies according to the agreed timetable, to ensure that they are fit for purpose and contribute towards developing the culture and behaviours which the organisation espouses	Ongoing
		Ensure that equalities, diversity and inclusion considerations are built into all our policies and procedures	31/07/2024
		Provide training for managers and staff to embed new policies and behaviours	31/03/2024
		Ensure that we have policies and procedures that enable us support recruitment and retention	31/09/2024
2	Look to introduce more creative ways of reaching potential candidates, using more varied ways of selecting the best talent for our organisation and recruiting for future potential. Provide wider opportunities for our residents through work experience and apprenticeships	Explore the options for broadening our range of recruitment tools and techniques to provide more flexible approaches which are aligned to our workforce plans and Principles. Establish a policy for regular, more formal opportunities for work experience and internships, taking into consideration the remote working nature of the workforce, to give potential applicants an insight into the careers available within the organisation and local government more widely	31/03/2025

Theme Two – Engagement

Lead Officers – SH, DP, BT, PS, HoS

Engagement - the ways employees are motivated and engaged in the delivery of the Councils’ Strategic Purposes.

There are a total of 26 different activities which fall under the Health, Safety and Wellbeing theme and these fall broadly into three areas:

- 1. Culture
- 2. Equalities, Diversity and Inclusion
- 3. Engagement, Communication and Consultation

No	Area	Overarching Task	Examples of Key Activities	Date
1	Culture	Further develop our culture to allow our staff to be high performers, who understand their role in, and are committed to, contributing to our success	Promote our Principles and build them into the heart of who we are and how we behave, both individually and as an organisation. Enable our managers to build on their abilities to have open and supportive conversations with staff which help build a culture of trust and which engage our staff in two-way discussion	31/03/2024
			Continue to implement the Culture Working Group's work programme and review this alongside the WFS Action Plan	31/03/2024
2	Equalities, Diversity and Inclusion	Ensuring our Equalities, Diversity and Inclusion (EDI) policies are reflected in our processes, procedures, behaviours and culture	Work to achieve an increasingly diverse workforce which has a high level of awareness of EDI and behaves in a way which reflects our EDI policies	31/03/2025

3	Engagement, Communication and Consultation	Increase the level and effectiveness of employee engagement and motivation and increase the involvement of staff, especially front-line staff, in our consultation and communications processes.	Continue to hold regular staff surveys and extend these to other forms of internal consultation and communication, reviewing the effectiveness of these over time. Broaden the delivery of the current, successful Chief Executive's Q&A sessions to other Heads of Service and to cover specific topics of interest and importance	31/03/2025
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Theme Three – Health, Safety and Wellbeing

Lead Officers – SH, DP, BT, PS, MB, HoS

Health, Safety and Wellbeing – *the health, safety and wellbeing of our staff is important, and we will strive to provide a safe and healthy working environment that promotes everyone's wellbeing, and we will focus on helping staff to make better choices, change behaviours and better manage their overall wellbeing.*

There are a total of 26 different activities which fall under the Health, Safety and Wellbeing theme and these fall broadly into three areas:

1. Health and Safety
2. Occupational Health
3. Workforce Wellbeing

No	Key Areas	Overarching Task	Examples of Key Activities	Date
1	Health and Safety	Ensure compliance with our legal obligations to staff in relation to workplace health and safety and support managers in carrying out their role within this.	Continue to enhance the provision of training, advice and support for managers and staff around H&S, enabling them to carry out their roles effectively, supported by robust policies	31/12/2024

			and procedures. Ensuring that up-to-date and accurate risk assessments are in place throughout the organisation.	
2	Workforce Wellbeing	Ensuring the wellbeing of all our staff so that they can function effectively and deliver high performance and make a significant shift from reactive to preventative approaches to wellbeing	Build on the range of resources and awareness sessions available around important health and wellbeing topics so staff can take good care of themselves. Extend the use of the Health & Safety Executive's Stress Management Standards throughout the Workforce Strategy to prevent stress-related illness as far as reasonably practicable, and to minimise the impact of stress-related issues on the workplace. Support managers so that they can continue to address wellbeing related issues in the workplace	31/03/2024
3	Occupational Health	Ensure that current OH services meet the needs of the organisation, through shadowing with teams on the frontline to establish where the issues lie, providing focused Mental Health, Menopause Awareness and Men's Health Champions training, in addition to enhancing the health surveillance profiling and checks for frontline staff	Work with our current occupational health provider to ensure that the provision continues to meet the needs of the organisation including developing new and appropriate approaches for dealing with stress and other health issues in the workplace. Ensure that the provision of occupational health services is understood by staff and managers and are accessed as needed.	30/12/2023

High Level Agile Working Implementation Action Plan

Overview

The project has worked with a number of service areas as a trial to understand how agile working is best implemented to meet the customer needs, provide performance data and make the service as effective as possible in a new way of working. This has involved looking at the ICT requirements, the facilities needed, performance measures, management of staff and more. Alongside the work with specific services there has been a training programme for all managers and leaders within the organisation to help them with managing an agile workforce. The Policy has been developed with input and approval from CMT and 4th Tier CMT and this along with the feedback from the service areas has shown that it is now important to implement the policy for all staff. This has all been overseen and managed by the project board made up of Sue Hanley (Project Sponsor), Deb Poole (Senior User), Becky Talbot (Senior User) and Chris Wells (Project Manager).

Objective

The project board has used the learning from the trial service areas, the feedback from the Corporate Peer Challenge and response of the fourth tier CMT team to understand that the time is right to release the Agile Working Policy for all staff. Then following the policy being implemented it will then be important for all service areas to apply the new corporate policy being led by the Heads of Service and Fourth Tier Managers. The objective will be for the project team to facilitate the implementation, provide additional guidance where required and review the effectiveness of the implementation.

High Level Tasks

No	Action	Details	Owner	Completion Date
1	Create a final version of the Policy for publication.	The policy has been approved corporately and with Trade Unions having been briefed and the policy being shared with the regional representative. So now prior to publication to all staff a final version with cover will be produced with the help of the design team.	Becky Talbot/Design Team	May 2023
2	Communicate with all of CMT and 4 th Tier about the policy and the expectations on staff and managers.	A session will be held with all of CMT and 4 th Tier to provide an overview of the policy, the expectations on service areas and managers. This will make sure that they are all aware of what will be expected of them corporately.	Project Board	May 2023

High Level Agile Working Implementation Action Plan

3	Agile Working Policy launch and communication to all staff.	<p>The Agile Policy will be launched to the organisation and a communication plan will be developed to ensure that messaging goes out to all staff in a variety of ways to make sure they are aware of the policy, that it has been read and its impacts understood. This will be done through a variety of internal communication channels.</p> <p>A staff event where the practicalities of Agile working will be demonstrated, staff will have an opportunity to understand how the new set up in the offices will work for them as well as other support on offer. This is going to be held on June 14th for all staff to have the opportunity to attend.</p>	Chris Wells/ Comms Team	June 2023
4	Member Briefing	All new and existing members to be briefed on the new policy and the implementation of Agile working by both Councils.	Project Board	June 2023
5	Training and Development	<p>The mandatory manager training will be extended to allow all managers who have not yet attended the sessions on managing an agile workforce the chance to do so.</p> <p>Customer service training will also be provided for managers to help them to ensure their services remain customer focused and are providing the best customer service possible.</p>	Phillippa Smith	December 2023
6	Communication Plan - Continued	A further round of communications will be put in place to make sure that as the policy and new ways of working continue to be implemented as expected and that all staff are aware of these.	Chris Wells/ Comms Team	December 2023
7	Facility Development	New working environments are being developed to allow staff to work in an agile way whilst in one of the Councils buildings. This will include new hotdesking spaces, suitable meeting rooms and quiet spaces. This will also include a booking system to allow the spaces to be managed and used effectively.	Chris Wells and Neil Perrett	September 2023
8	Implementation Review	As the policy is implemented there will be a review process to look at how this is being achieved service by service and corporately. There will also be the opportunity for shared learning across the organisation.	Chris Wells	December 2023

High Level Agile Working Implementation Action Plan

9	Lessons Learned Review	The implementation phase of the project has a scheduled completion date of December 2023. However, the project board recognise that the implementation across the organisation will take time to embed. The project will be carried out alongside the new policy so it will be important to do a lessons learned review in order to ensure the policy remains fit for purpose.	Project Board	March 2024
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Finance Delivery Plan CPA Assessment Recommendation 5

Ensure the Section 24 Notice and Interim Annual Audit Report recommendations are fully implemented.

This Report will cover:

- 1) Progress and actions arising from the Recommendations contained in the S24 Statement.
- 2) Progress and actions arising from the Recommendations contained in the Draft External Audit Report for 2020/21.

Progress on Recommendations of the Draft External Audit Report for 2020/21

On the 31st October 2022, the Councils External Auditors Grant Thornton issued a S24 Statement in relation to late delivery of the 2020/21 Accounts and a Draft External Audit Report for the 2020/21 Financial year. The External Audit Report had 5 Key Recommendations for Bromsgrove and 13 Improvement Recommendations.

The initial responses to the **Statutory Recommendations** were included in the reports that went to Audit Standards and Governance Committee, Cabinet, and Council in November and December. The Statutory Recommendation set out the following:

Financial Systems and Governance

The Council cannot yet produce its 2020/21 Draft statements of accounts due to long-standing issues in relation to cash receipting requiring resolution. The Council must ensure that arrangements allow for the successful implementation of the remaining issues with its ERP system, with long-standing issues being resolved to allow key elements of financial governance and compliance to be undertaken routinely and in a timely manner. In order to achieve this the Council should:

- ensure the Council has access to the necessary knowledge and expertise to resolve the remaining key issues with the ERP system in a timely manner to provide management with sufficient assurance over the completeness and veracity of the data included within the system;
- undertake appropriate testing of the fixes and ensure that appropriate sign-off of these is received prior to running them on live system data; and
- ensure budget holders and other relevant officers possess the skills and knowledge to appropriately use the ERP system as intended, including relevant training and updates to key documentation and process manuals.

Once system issues are properly resolved, the Council must:

- undertake key control activities such as bank and control account reconciliations on a monthly basis and ensure that these are kept up to date;
- produce the 2020/21 and 2021/22 draft financial statements, along with high quality supporting working papers;
- conclude the 2020/21 and 2021/22 RO and CO submissions, and other key Government returns including Whole of Government Accounts; and

- ensure timely reporting of budget outturns and report publicly on in-year financial monitoring, including updates on the capital programme and savings scheme achievement.

The Council's response, as set out in the S24 notice issued on the 31st October stated that:

- The Finance Recovery Plan which is a wider schedule of finance deliverables – monitoring, delivery of returns, budget, reported to CMT on a Monthly basis, and reviewed by the Senior Finance Team on a weekly basis.
- Weekly meetings held both internally on reconciliation and associated issues. Monthly ERP Board is in place. Two weekly meetings on utilisation of assets.
- Cash Receipting issues escalated on Tech1 side to worldwide Head of Local Government (met 6 July 2022) for resolution. Now in final phase of testing before solution can be transferred to the live environment.
- Council is a first and only Council user for cash receipting and there is limited Tech1 expertise to resolve ongoing design issues which require scheduling.
- System Tech1 expertise commissioned to fully document the solution in October to aid full understanding.
- Documentation a plan to correct 20/21 and 21/22 entries which will be reviewed by Internal Audit before being presented to External Audit.
- Handovers have taken place to new establishment Staff who were on-boarded up to August 22 in preparation for delivery of 20/21 accounts and user training.
- Financial Governance is being reviewed as part of Finance Recovery plan and is basis for revised training and responsibilities being implemented in the Autumn.
- User Guides and manuals being redrafted for Autumn training launches.
- Tech1 User Group set up in September to assess documentation and support across the Sector.
- Tech1 has the Tech1 University which is comprehensive but not site specific to base documentation on. Staff have access to this to deliver updated guides and manuals.
- Staff in place to undertake bank rec but dependent on final cash receipting fix. Cannot fully start bank reconciliation on system as it is presently causing more transactions to be produced.
- Other monthly controls set up for the end of August.
- Internal Audit Recommendations will be added to the Recovery plan
- Members have been updated on issues through Audit Committee and Cabinet during 2022.

Since the initial response to the S24 Statutory Notice and it's associated recommendations, the following progress has been made:

S 24 Statement Progress

a) Bromsgrove

- An Emergency Audit Standards and Governance Committee was convened on the 9th November to review the Reports (minutes available)
- Cabinet Reviewed Reports on the 23rd November (minutes available)
- Council debated the issue on the 7th December (minutes available). Council requested a Peer Review concentrating on Governance, which took place in the week of the 6th March 2023, and also that Audit Committee carry out a Task and Finish Group Review of what caused the S24 statements to be issued. This review fed into the Peer Reviews.

- An Emergency Audit, Standards and Governance Committee convened on the 14th December to review the draft Accounts for comment (minutes available).
- Audit Standards and Governance Committee on the 19th January, reviewed progress on tasks to date.
- Auditors were on site from Wednesday 25th January. They have started their work by reviewing the data transfer balances (old to new system) and it has been agreed between the Auditors and the Council that draft 20/21 Accounts will be provided to Auditors after both sides have signed off the data take on balances.
- The Task and Finish Group membership and Remit was agreed and meetings took place on the 1st Feb, 9th Feb, 14th Feb, 20th Feb, 21st Feb, 28th Feb, 2nd March and 6th March. The Final Report was taken to Audit, Standards and Governance Committee on the 9th March for approval. The recommendations of the Task Group are included in this report as Appendix A.
- Audit, Standards and Governance Committee on the 9th March also had an update on progress on the Statement of Accounts, the Internal Audit Progress Report and the yearly Audit, Standards and Governance Committee Annual Report. The Committee also agreed to change its frequency to every 2 months to ensure challenging progress and ensuring the recommendations of the S24 Statement and the Draft External Audit Report were implemented.
- The Constitution Review Working Group agreed Chair of Audit, Standards and Governance should join the Budget and Performance Working Group in order to ensure correct conversations could be held.
- On the 1st June, the Committee had for the first time an Accounting Policies Report. **The Accounting Policies Report will go to every Audit Committee and sets out:**
 - The Accounting Policies being used their Source and associated Governance Arrangements be noted.
 - The Accounting Policies report be considered at each Audit, standards and Governance Committee meeting to alert Members to possible no compliance issues.
 - Bromsgrove District Council Audit Task Group Report into the issuing of the S24 Statement be noted.

b) Officer side

C1) Closure

- Data Take on working paper had completed ready for Auditors (efin to tech1) including description of issues found while undertaking the reconciliation. First meeting with the external auditors with all this information held on the 11th January 2023. Data take on is key given that treatments have to be agreed as the starting point and this is where the Auditors are starting their work.
- A Solution to the cash receipting issues were finally resolved in the live environment on the 5/6th November 2022.
- Draft accounts produced between 6 November and 14th December for both Audit Committees. In these Audit Committee meetings it was highlighted that items in suspense were still higher than wanted and will work on driving numbers down before have to issue the final draft accounts.
- Audit deliverables list supplied by External Auditors on the 16th January in preparation for arrival on 23 January. Following meetings with the External Auditors through to June 2023 the timetable has been slightly amended as follows:
 - Closure 2020/21

- Agreement of Treatment of Take on Balances – This will now take place in early July 23 as significantly more testing is required by the External Auditors
- Provision of Draft 2020/21 Accounts to Audit (to begin Audit) July 23. This is dependent on the External Auditors confirmation that they have approved both Council's take-on balances work. The auditors are having issues in how they need to test the transactional data due to their "normal" models not working on our data.
- 2020/21 Audit – July to September 23 (estimated)
- Sign Off of 20/21 Accounts - November 2023
- Closure 2021/22
 - Updated Outturn position – August 2023
 - Draft Accounts to Auditors November 2023 (following external Auditors sign off of 20/21 Accounts)
 - Audit of Accounts December to April
 - Sign off of the Accounts – May/June 2024
- Closure 2022/23
 - Budget Manager Closure Training – 23rd-28th March 2023 – 83 staff attended closure training at the end of March.
 - Provisional Outturn Report – Cabinet Report for 12th July 2023. This will show outturn as well as amount in suspense to be cleared. This will enable the 2022/23 Revenue Outturn Report to be presented to DLUHC on the 31st July 2023 as per Government deadlines.
 - Draft 2022/23 Accounts to Audit – June 24 (following External Auditors sign off 21/22 Accounts)
 - Sign off of the Accounts – November 2024
 -

C2) Wider Actions linked to the S24 Recommendation

- Finance Delivery Plan and overall deliverables converted to more BAU with an Assurance Meeting (last Wednesday CMT each month) taking items on board. Updated report format showing deliverables (linked to the Accounting Policies Report) launched in March 2023.
- Lanluas, a TechOne consultancy, has undertaken a TechOne Health check on 7/8/16/17 November with deliverables reports. This identifies areas where the Council can move the system forward. Following the upgrade more independent resource will be commissioned to ensure full system functionality is leveraged.
- TechOne now using AMS days to ensure other priorities delivered now that the cash receipting solution has been fixed on 5/6 November
- The Council are Upgrading TechOne to latest version with regression testing under way. It was expected this would go live in March 2023 but the Council are delaying this to June and will move to the latest version on the 10th July. The delay is due to the fact that TechOne Cash Receipting consultants will be in the UK in Early June and their time has been booked so this work can be done "face to face" given the Council is still the only TechOne Cash Receipting user and specific testing must be undertaken in this area.
- Additional reconciliation staff were engaged in February to address the backlog in suspense and key reconciliations to get the Council up to date.
- Back Office Protocols launched in December. This sets out what the "back office" provides and what the expectations are for Service managers. Finance services are a considerable part of these protocols.

- Implementation of controls is very dependent on completing clearance of suspense items which we have engaged additional staff.
- Still an issue replacing staff – due to Market shortages which are now more acute and driving up day rates. The Head of Finances maternity leave has been covered for a year with the replacement starting in the first week of May to allow handover. Chief Accountant has been recruited and a Head of Management Accountancy being sought.
- **Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group:**
 - Budget
 - Delivered by 11th March in preceding financial year – ***delivered Feb 2023***
 - Council Tax Base – Yearly – ***2023/24 delivered in January 2023***
 - Council Tax Resolution – ***Yearly 2023/4 delivered in February 2023***
 - Council Tax Billing – Yearly (2 weeks before 1st DD is due to be taken) – ***Bills distributed in March 2023***
 - Closure
 - Draft Accounts delivered to Audit by 30th June
 - Audit Completed by 30th November (will change in 22/23 Audit)
 - Government Returns
 - VAT – Monthly
 - ***Still to be delivered for 20/21 – dependent on closure of accounts***
 - Revenue Outturn Reports – July
 - ***Still to be delivered for 20/21 – dependent on closure of accounts***
 - Capital Outturn Reports – July
 - ***Still to be delivered for 20/21 – dependent on closure of accounts***
 - Quarterly Revenue Outturn Estimates
 - ***Quarters 1-3 delivered (have warnings from previous year as not delivered)***
 - Quarterly Capital Outturn Estimates
 - ***Quarters 1-3 delivered (have warnings from previous year as not delivered) Q4 to be delivered on 21st April 2023***
 - Quarterly Borrowing Return
 - ***22/23 Quarterly Returns delivered - Q4 delivered on 11th April 2023***
 - Quarterly Council Tax and Business Rates Returns
 - ***22/23 Quarterly Returns delivered - Q4 due 5th May 2023***
 - Whole of Government Accounts Returns – August
 - ***Still to be delivered for 20/21 – dependent on closure of accounts***
 - RA – Revenue Budgets – April
 - ***2022/23 Delivered on the 5th May 2022 and 2023/24 delivered on 14th April 2023***
 - Capital Estimates Return – ***to be delivered by 24th March 2023***
 - Public Works Loans Board Certainty Rate – April
 - ***2022/3 delivered on 28th April 2022***
 - Pooling of Housing Capital Receipts – May
 - ***2022/23 Delivered 13th May***
 - NNDR1 Return (Business Rates) – January
 - ***Delivered December 2021 for 2022/23 and January 2023 for 2023/24 return***
 - NNDR3 Return (Business Rates) – June and September
 - ***Delivered in June 22 for 2022/23***

- **Draft 22/23 NNDR3 provided to Worcestershire County Council for view of the pool. Final draft NNDR3 to be submitted to DLUHC by 30th April 2023**
- Housing Benefit Subsidy Return – Yearly
 - **Sent 29th April 2022**
 - **2022/23 subsidy return due to be delivered on 28th April 2023**
- DHP Claim – Yearly
 - **Sent 29th April 2022**
- CTB1 (Council Tax Base) – October
 - **Sent October 2022**
- CTR1(Council Tax Requirement) – March
 - **22/23 sent 16 March 2022**
 - **23/24 sent 7 March 2023**
- Policies
 - Treasury and Asset Management Strategies
 - Initial Strategies as part of the MTFP – **2023/4 Strategy Approved in March 2023**
 - Half Yearly Report
 - **Update provided in Q1 Revenue Return**
 - Yearly Outturn Report
 - **To be produced in July**
 - Council Tax Support Scheme – Yearly – **Approved in Jan 2023 after consultation**
 - Minimum Revenue Provision – yearly – **Approved as part of the 2023/4 to 2025/6 Medium Term Financial Plan**

Local indicators include:

- Financial Monitoring – quarterly – **quarters 1-3 2023 delivered in September, November and March**
- Risk Management – quarterly – **2023 updates delivered in July, November and January**
- Financial Controls (still in development)
 - Clearance of suspense accounts
 - Bank Reconciliation
- Over £500 spending.
 - **Updated to February 2023**

The key returns that have still not been delivered are the Revenue and Capital Outturn forms for 2020/21 and 2021/22. Although the Government now allow these returns to be completed based on estimates, the level of uncertainty due to the Cash Receipting means these cannot be completed until the External Auditors sign off the Councils take on balances and the Council provides the draft accounts to Audit for each Council.

C3) Compliance

There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Report 2020/21. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

Training:

- Number on Closure Training 23, 24, 27, 28 March – by Service Area – 83 attended.
- Mandatory Budget Manager Training – July - by Service Area – Corporate Finance team trained on budget loading processes in April but issues due to cash receipting changes have led to budgets not being loaded until June. Also waiting the Upgrade so training will also encompass that as well.
- Mandatory Financial Awareness Training – July/August – by Service Area
- TechOne Budget Manager Training July/August – by Service Area.
- Number on Payments Purchase Order Training (Monthly) by Service Area.

Errors:

- Non delivery of GPC Card Data (monthly basis) – will begin at the end of Quarter 1.
- Mis-codings on TechOne per month – by Service Area - will begin at the end of Quarter 1 due to April closure issues taking priority.

Process updates:

- Finance time to respond to queries
 - Finance
 - Payments and Insurance
 - Income
- Procurement
 - The new 'No Compliance No Order' process has been live a month now, we have a few issues to resolve with T1 but hoping these will be resolved with the upgrade on the system.
 - Many departments are now proactively getting quotations for lower value works. A lot of the issues we have are now training issues that are being resolved.
 - We still have no contracts for garage related matters, but we now have dates for these to be resolved by and a meeting is to be set up monthly to ensure progress on these.
 - The number of contracts in place is growing regularly and we are confident that this process is having a positive effect. We hope that eventually we get to the place where the number of orders coming to us is minimal.
 - A spreadsheet is being collated for requests with no contracts and we will discuss this with teams going forward. We hope that eventually we get the place where the number of orders coming to us is minimal.

General Finance Indicators:

- Council Tax collection rates – 2022/23 RBC 95.7%, 2022/23 BDC 97.8%, April 2023 so far RBC 8.9%, April 2023 so far BDC 8.7%
- Business rates collection rates - 2022/23 RBC 94.8%, 2022/23 BDC 94.6%, April 2023 so far RBC 6.8%, April 2023 so far BDC 6.6%
- Number of invoices paid within 30 days – update to be provided in next report
- Outstanding debt over 30 days (Accounts Receivable) – RBC £1.7m, BDC £1.1m, Rubicon £0.2m
- Bank reconciliations – significant progress on 2021/22 reconciliation
- Volume of items in suspense:

	2021/22 (work ongoing to transfer items out of suspense)	2022/23

	Number of Transactions on Suspense Codes (including any correcting lines)	Value (£m)	Number of Transactions on Suspense Codes (including correcting lines)	Value (£m)
RBC	28,846	(17.9)	18,146	25.1
BDC	5,870	(87.4)	9,595	(15.0)
Rubicon	-	-	2,994	1.3

Draft External Auditors Annual Report 2020/21

Statutory Recommendation – see above

On the 31st October 2022, the Councils External Auditors Grant Thornton issue a Draft External Audit Report for the 2020/21 Financial year. The External Audit Report had 5 Key Recommendations for Bromsgrove and 13 Improvement Recommendations for both Councils.

The initial responses to the 5 recommendations are included in the reports that went to both Audit Committees, Cabinet, and Council in November and December are as follows:

Recommendation 1

The Council needs to ensure that the Medium Term Financial Plan presented to Members is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.

Council Response 31st October –

- Unallocated savings amount from the existing MTFP of £477K has been highlighted in the Q1 monitoring that went to Cabinet in September. Decision has been taken to apply these amounts to vacancies at Q2 to resolve the issue. This will be reflected in the Q2 monitoring which will be presented to Cabinet in November.
- 2023/24 MTFP will be delivered in 2 Tranches. As set out in the existing MTFP there is a deficit of £1,588k to close in 2023/24 rising to £1,k in 2025/26 . Tranche 1 documentation which will be presented to Cabinet on the 26th October sets out how this could be bridged without the use of Reserves. Fuller detail is given on an underlying assumptions and a Savings Proposal Document gives the required transparency and allocation to the correct budgets.
- Given the present financial crisis, and including inflation running at over 10%, with utilities even higher, the Tranche 1 Reports have a draft Robustness statement setting out the viability of the budget at this time as the projected Gap with present inflationary and utility pressures would extinguish reserves within 2 years.
- 20/21 forecast outturn report presented to Cabinet in January 2021.
- 21/22 P11 set out that revenue would be delivered within budget, confirming the savings built into the budget were anticipated to be delivered in year.

Recommendation 2

The Council needs to improve management of key projects, such as the financial ledger implementation, to ensure that expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure lessons are learned for future key projects.

Council Response 31st October –

- The Council has set up a Back Office Working Group which meets on a 2 weekly basis. Part of this groups remit is to “gatekeep” major projects to ensure the correct resources are allocated to projects up front and that there is clarity if an initiative cannot be resourced and this is linked to benefits realisation. This also applies to ongoing contract management.
- A Level 4 Group, which is a sub Group of CMT, now meets on a 2 weekly basis. Part of the remit of this group, which is cross Council, is to future scan for new “projects” and again ensure the right officers/expertise is involved from initiation.
- The Present MTFP has assessed projects and deliverability.
- Key Council projects are reported to CMT on a Quarterly basis for review
- That a shortcoming of the ERP implementation – full documentation of the system is now being addressed through a third party.
- The ERP was implemented in a time of restrictions due to C-19. A key learning point has been the limitations of remote working on a major implementation and the effects on staff – most of whom have left the Authority.
- A full post implementation review will take place once the system moves to steady state.

Recommendation 3

The Council should review and implement effective governance arrangements in respect of performance monitoring to allow Members to make informed decisions. In order to achieve this the Council should reinstate public reporting on performance, linking this to the Council Plan and the related strategic objectives, allowing Members to scrutinise performance. This should be done at least twice per year.

Council Response 31st October –

- During this period the council did have a corporate performance dashboard which was available to Members. This is now being replaced with a Power BI based application. The corporate management team currently have access to this new application. Member access will be available by the end of 2022
- The Q1 2022/23 Finance and Performance Monitoring Report was presented to Members in September. This has been reviewed by the Budget Working Group in September.
- CMT reviews performance data on a monthly basis as part of its monthly assurance meeting
- The Q2 Finance and Performance Monitoring Report will be presented to Cabinet in November.

Recommendation 4

The Council should review and implement effective governance arrangements in respect of risk monitoring to allow Members to make informed decisions. In order to achieve this the Council should make risk management reporting a standing item on the Audit, Standards &

Governance Committee agenda, with Members considering the Corporate Risk Register and Risk Management arrangements in an appropriate forum.

Council Response 31st October –

- Risk Management was relaunched in April and went to both Cabinet and Audit Committees in July 2022 as part of a quarterly monitoring regime.
- An updated Risk Approach agreed by CMT in April 2022.
- Risk data is reviewed monthly by Departmental Management Teams, quarterly by a Council wide officer risk board before being presented to CMT as part of the Assurance meeting.
- The Risk Management report to the 21st September will be presented to both Cabinet and Audit Committee in October.
- Risk Management is planned to be reported quarterly to Audit Committee.
- Internal Audit have recently conducted a follow up Audit on Risk Management where progress on the Risk Action plan was reviewed.

Recommendation 5

The Council should ensure timely and relevant financial monitoring reporting is undertaken and presented to the appropriate public forum.

Council Response 31st October –

- As reflected above financial monitoring was delivered for P11 in 2021/22.
- There was internal financial reporting in 21/22 to managers to ensure operation delivery could be maintained.
- There is a monthly CMT Assurance meeting where progress on key controls is reviewed.
- The 2022/23 Q1 combined Finance and Performance monitoring was presented to Cabinet in September.
- Unallocated savings amount from the existing MTFP of £477k has been highlighted in the Q1 monitoring that went to Cabinet in September. Decision has been taken to apply these amounts to vacancies at Q2 to resolve the issue. This will be reflected in the Q2 monitoring which will be presented to Cabinet in November.
- The 2022/23 Q2 Combined Finance and Performance Monitoring will be delivered to Cabinet in November.
- The Tranche 1 2023/24 Budget (see Recommendation 1) sets out the ongoing position and moves to balance the budget. This will be presented to Cabinet in October.

Progress on Key Recommendations since 31st October have been:

- The Council has resolved Cash Receipting Issue, and is in the process of upgrading the TechOne system so that it is the latest release. TechOne AMS support days, which were being used to clear the Cash Receipting issue are now reducing the overall issue list (which is down to 17 logged issues). This resource can also start to be proactively used for training. We also will be engaging again with Lanlaus for external support and to drive improvements forward.
 - **Once TechOne is updated the Council will engage with Lanlaus for further system improvements and efficiencies.**
- With the issuing of the back-office protocols, and the impending upgrading of TechOne, there will be the requirement at year end to undertake a significant tranche of retraining on system and wider back office “requirements. This includes budget monitoring

(system and finance perspectives). These training requirements and respective delivery timescales have been detailed earlier in this document.

- **Delivery of Financial training detailed in this document will move staff to right level of skills.**
- **TechOne will be upgraded to the latest version in June 2023.**
- There is still a resource issue across both Councils, many covered by Agency and temporary staff. The Council, through WM Employers have been engaged with Opus since the 1st April to deliver and more closely manage agency staff and reduce vacancies.
- Financial monitoring activities are now combined with performance reporting, and this is provided to Members on a quarterly basis with Quarters 1, 2 and 3 having been provided to Cabinet and also the appropriate scrutiny committees. Monitoring is a significant overspending position in both Councils due to a number of factors including the pay award. Unallocated savings amounts from previous years in both Councils have been either cleared or reduced to a low figure.
 - **Quarterly combined financial and performance monitoring will continue in 2023/4.**
- The 2023/24 Budget is being delivered in two tranches:
 - Tranche 1 has been approved by both Councils (December and January)
 - Tranche 2 in Bromsgrove
 - 23/4 is a £250k deficit, reducing to £44k surplus before increasing to a £431 deficit in 25/6.
 - Reserve have been fully reviewed with G/F balances at the end of the period £5.6m and Earmarked Reserves at £4.8m.
 - Capital programme concentration is on time limited Levelling Up Fund Schemes with high-cost fleet replacement being deferred until more clarity on Environment Bill with fleet being refurbished instead.
 - The Savings Document in Tranche 1 did have a consultation section, but there were no responses. This needs to be rethought in future years.
 - As per Robustness Statement still significant Risk – although most of this is sector wide.
 - **The 2024/5 MTFP will start in the summer. As part of this process the approach to consultation will be rethought.**
 - **The MTFP will include Scenario analysis given short term Government guidance on central support.**
- Capital and Treasury Management Strategies have been delivered as part of both the 2022/3 budget process and the 23/4 process:
 - Strategy Documents provided as part of Tranche 2 of the budget.
 - Update for 22/23 indicators in Quarter 1 monitoring as needed to change the cash at bank Indicator.
- Working Group meeting that span levels of control below CMT to ensure projects and projects delivery are more joined up:
 - Final CMT meeting each month is on assurance and reviewing where the Council is on those matters. This now includes a review on progress with outstanding Internal Audit Recommendations.
 - This includes an update from the 4th Tier and Back Office Working Groups
 - Audit, Standards and Governance working group assessed why the S24 was issued and this fed into March Audit Committees and the Peer Review.
 - **Integrate/endorse Audit Task Group Recommendations**

- Risk Management, has risen from a Limited Assurance rating in March 2022 to a Moderate Assurance level in April 2023, through the implementation plan which is now being embedded (and a further follow up internal audit has just been scoped to review progress) as part of business as usual has been through three reporting cycles to CMT and the respective Audit Committees. Q4 2022/23 data presented to Audit. Standards and Governance Committee and Cabinet in June 2023.
 - **Run Risk workshops to assess Risk Appetite of Cabinet and Audit Committees.**
 - **Implement Internal Audit Risk Review recommendations.**
 - **Change order of Audit Committees to deal with risk earlier as per the Recommendations of the Audit Task Group.**

The Draft External Audit Report 2020/21 also had Improvement Recommendations. Those not already mentioned above and required to be assessed/implemented are:

- Capital monitoring is being integrated with normal reporting. This is part of the assurance reports that come to CMT. In addition, there is a Governance Group meeting bi monthly that oversees the “major projects” such as Levelling Up Fund and UK Shared Prosperity Fund which is where the majority of the spend takes place.
- We are in the process of implementing a workforce plan and this went to Cabinet in November. Retaining and attracting staff is a major issue for councils in Worcestershire.
- We are still to use the CIPFA comparative data fully although we do now have access to it through the CIPFA Benchmarking Club.
- We have clear procurement policies and have done extensive training with staff. The major issue has been culture change to compliance with process.

Actions

- **The Accounting Policies Report will go to every Audit Committee.**
- **The key closure deliverables for each financial year are set out below. The owner of these deliverables are the S151 and Deputy S151 Officers. Closure and Audit of the 2020/21 Accounts delivers the S24 Recommendations. The owners of these deliverables are the S151 and Deputy S151 Officers.**
- **Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.**
- **Delivery of Financial training detailed in this document will move staff to right level of skills.**
- **TechOne will be upgraded to the latest version in June 2023.**
- **Once TechOne is updated the Council will engage with Lanlaus for further system improvements and efficiencies.**
- **Quarterly combined financial and performance monitoring will continue in 2023/4.**
- **The 2024/5 MTFP will start in the summer. As part of this process the approach to consultation will be rethought.**
- **The MTFP will include Scenario analysis given short term Government guidance on central support.**
- **Integrate/endorse Audit Task Group Recommendations**

- **Run Risk workshops to assess Risk Appetite of Cabinet and Audit Committees.**
- **Implement Internal Audit Risk Review recommendations.**
- **Change order of Audit Committees to deal with risk earlier as per the Recommendations of the Audit Task Group.**

Appendix A Recommendations of the Audit Task Group

The following 10 general recommendations and 4 ERP recommendations are the findings of the Audit Task Group which reported to both Bromsgrove Audit Standards and Governance Committees on the 9th March 2023 and Redditch Audit Governance and Standards Committee on the 23rd March 2023. These recommendations now form part of the overall finance recovery program.

1. Recommendations

1. BDC to ensure that subject specialists, internal or external, are involved in the design of relevant procurement specifications for all major projects.
2. Given a number of substantial and important projects on the horizon for BDC, set up a permanent Project Management Office at BDC to support the full range of projects undertaken by the Council. This Project Management Office would report to CMT/ SMT as part of its remit. CMT is tasked with setting out the requirements of this new programme office and resource requirements to ensure compliance with the recommendations in this Report. This Report will be presented to the first Cabinet meeting after the BDC elections in May 2023.
3. In order to establish that a system chosen is fit for purpose, future scoring criteria as part of all procurement exercises will include the need for evidence that the system on offer to BDC is tried and tested.
4. Internal Audit should be cited on all major projects, together with a professional member of the Project Management Office. If necessary, independent or peer validation of technical specifications and/or bid due diligence should be considered.
5. Staff required on any major projects should be backfilled, to ensure no work over-load impacting BDC staff well-being.
6. Should staff training be required as part of any new system or project implementation, BDC as a purchaser of that system/solution, should ensure that all training requirements are included as part of the project specification.
7. The Agile Working Policy should take account of the need, from time to time, for officers to work collaboratively and in line with the needs of the project.
8. The Council should fully and accurately record action points at project board meetings (and potentially, other Council meetings). They should then be implemented by the specific person responsible and reported upon at the following project meeting within a suitable and reasonable time scale. Where this is not possible, there should be RAG rating to escalate this further, to secure a suitable resolution is discussed by the relevant project team.
9. Officers, as a standard Report, will highlight to Audit, Standards and Governance Committee any possible finance and governance issues in the next six months not delivering to standard or timescales. This will include the timescales of delivery of finance training, delivery of VAT returns, delivery of the 2021/22 and 2022/23 accounts.
10. The Corporate Risk Register to be discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee. Any risks are to be clearly flagged to the members of the Committee, particularly where they are rated as red.

ERP Recommendations

1. All finance staff and Council users are to be trained as a matter of urgency and no later than by 31st August 2023 on how to use the ERP system and that the progress with this is reported to the next meeting of the Audit, Standards and Governance Committee as a regular agenda item.
 2. BDC to work with a specialist with the knowledge of the TechOne system and Cash Receipting to help in real time with the completion of the implementation of the new ERP system and all of its components and to help with any training needs and improvements to the system.
 3. VAT returns to be up to date for 2020-21 and 2021-2022 by the end of May 2023 and for 2022-2023 by the end of August 2023.
 4. The 2021-2022 Accounts to be in draft format by 30th June 2023.
 5. The 2022-2023 Accounts to be in draft format by 30th September 2023.
- (All of the above milestones will be dependent on resources and will be reported to the Committee as per recommendation 9 above.)