Walsall Metropolitan Borough Council

Corporate Peer Challenge Report

16-19 January 2023

Feedback report

1. Executive summary:

Walsall Council has undergone significant transformation and change in recent years. This has included the proactive design and delivery of the Council's "Proud Programme" but also the reactive response of the organisation to wider social changes and reforms. In this context, there is an exciting opportunity for the Council to build on this practice, utilise their strong governance and financial foundations, and apply the principles and learning of the Proud Programme to wider socio-economic challenges. This will enable the Council to continue their journey of improvement, addressing outcomes through a convening and enabling role with wider partners. Ultimately, this will support the ambitions set out in the "We are Walsall 2040" (WAW2040) Programme over the coming years.

The vision of WAW2040 has been shaped by extensive engagement, with more than 10,000 residents and businesses contributing towards the development of a shared ambition to create a borough "*that works for everyone*". The opportunity now exists for the Council to build on the discussions to date to deepen engagement and maximise the contribution of communities to these goals. The Peer Team appreciate that further work is ongoing on the development of a framework for this approach but hope that the recommendations and findings set out in this report support Walsall Council with this process.

Through the Peer Review process, the team were presented with evidence of strong governance arrangements and effective financial planning. This corporate core provides a strong foundation for services, engagement, ongoing transformation, and is underpinned by clear financial reporting, effective engagement with audit, and appropriate internal scrutiny. The Peer Team appreciates that there have been further corporate improvements made in recent years, including securing additional capacity for communications, a Programme Management Office, and the development of a Corporate Hub, bringing together Communications, Marketing and Brand (including consultation), Policy & Strategy (including performance and behavioural science), Commissioning (including procurement and contract management) as well as Business Insights. This creates exciting opportunities to create more community focused services and driving forward effective place-based leadership that builds on these foundations and applies their benefit beyond the Council.

Beyond these corporate functions, the Peer Team heard evidence of effective partnership working in a number of service areas, and a wider Council approach of working "*positively*" and "*collaboratively*" with others. This included notable practice in areas such as health

and social care, including the operation of seven integrated teams, OFSTED rating Children's services as 'good', and praise for the organisational focus and approach to addressing delayed transfers of care. As always with partnership working, there is opportunity to do more, and this report highlights some specific examples which the Council may wish to consider.

Similarly, the Team heard about the strong relationships that the Council developed with Voluntary and Community Sector through the leading role that they played in responding to the COVID 19 pandemic and in leading on development of Plans for 2040. Taking forward these relationships for the delivery of WAW2040 will require them to be strengthened to maximise the benefits of early intervention, prevention, and demand management and improve outcomes for residents and support financial improvement. This will require the Council to move towards a more strategic relationship with partners, which would benefit by being underpinned by longer-term approaches to investment with these groups.

The Council has a strong track record in financial management that has served the organisation well. The Council has a net revenue budget of approximately £226 million and has an allocated Capital Programme of £310 million for the next four years. The Council has a good record in delivering savings (£225 million from 2010/11 to 2021/22) and has plans in place to address £24 million saving requirement in 2022/23. It will be important that this financial rigour continues, to ensure that the organisation has appropriate resources, reserves, and plans to address national challenges of inflation, cost of care reform, as well as the delivery of the remaining £16 million of savings in 2023/24.

During our time on site in Walsall Town Hall, the Peer Team met with many committed, hard-working, and enthusiastic staff who are proud to work for Walsall Council. These staff are a valuable asset to the organisation, and this report sets out a number of considerations that will support the Council to develop and embed their approach to Organisational Development (OD), whilst also encouraging consistency of practice on a number of human resource processes across all directorates. A central strand to this work will be providing more clarity and consistency regarding the Council's approach to flexible and remote working, and this should be considered in the round, including the impact on workforce, community engagement, estate, ICT, regeneration, and the local economy. The Peer Team appreciate that the Council's new OD Strategy is nascent (2023-2026) but believe that further work is required to embed the "PLATE" principles of (Professionalism, Leadership, Accountability, Transparency and Ethical). Embedding these principles should be considered beyond annual performance conversations in to how these behaviours are

sponsored by senior leaders and experienced daily. Furthermore, it will be important that there is clear alignment of the PLATE principles, WAW2040 vision, and Proud Programme to avoid the risk of duplication or confusion.

This work on Organisational Development should be extended to include consideration of the Council's approach to issues of Equality, Diversity, and Inclusion (EDI) and the organisational benefits that could be achieved from improvement in this area. The Team appreciate that progress has been made on these issues in some services and would encourage the Council to consider the support and structures required to extend this across the organisation. An important asset that will support progress in these areas is the trusting relationships that exist across senior Officers and Members of the Council. From the conversations that the Peer Team had, it is clear that there is trust and respect across these roles, which has been supported through a conscious investment of time, capacity, and training for those in political and managerial leadership positions.

As context for this review, Walsall is one of 36 Metropolitan Authorities in England and is located in the West Midlands. The borough shares borders with Staffordshire County Council to the North, and to the South and West is bordered by Wolverhampton, Sandwell, and Birmingham. Walsall is one of seven Councils with full voting rights who comprise the West Midlands Combined Authority.

The borough covers approximately 40 square miles, and serves a population of 286,700 residents, with the largest settlements being in Walsall, Bloxwich and Willenhall. The borough is both economically and demographically diverse, and the Council has extensive information regarding the social challenges that exist in the borough. This includes approximately 50% of residents living in the most deprived 20% of neighbourhoods in England, with the Index of Multiple Deprivation ranking Walsall as 25 out of 317 for the most deprived local authorities, facing particular challenges on income, education, skills, and employment. The deprivation of the borough splits broadly on an east-west axis, with the more prosperous areas being in the East.

Politically, following a period of no-overall control (2011-2019) the Council is now led by a Conservative majority through a Leader and Cabinet model. The current distribution of seats across political groups is Conservative 38, Labour 20, with two members sitting as non-aligned or independent Councillors. The political make-up of the Council is decided on electoral thirds, with the next elections taking place in 2023, 2024, and 2026.

Finally, this Corporate Peer Challenge (CPC) took place in January 2023, during the notice period of the departing Chief Executive who had chosen to leave to take a role elsewhere in the Sector. This Chief Executive had been central to the content and delivery of the Proud Programme and had provided visible leadership to this work. The Council has appointed the Interim Executive Director (Resources & Transformation) as interim Chief Executive whilst they recruit a permanent replacement. This approach will provide important continuity to the Council over the coming months, supporting budget setting, elections, and continued delivery of services.

The appointment of a new permanent Chief Executive will naturally be a key juncture for the organisation, and it is hoped that this report will support them in taking this role and act as a bridging document to support continuity and ownership of improvement. However, making progress against the findings of this report and the recommendations included will require leadership permissions (both politically and managerially), and without this, there is a risk that momentum could be lost during transitions.

2. Key recommendations:

The main body of this report contains a range of findings and recommendations relevant to Walsall Council. Many of these may be easy to implement "quick wins" and practical actions. However, the key recommendations below focus on the issues which will be most critical to the Council's improvement, and those which should be prioritised going forward include:

– **Recommendation One: Maximise the opportunities that are presented to the Council through partnership and convening arrangements:** The Council's improvements through the Proud Programme have been largely internal to-date. The next phase of WAW2040 will require these priorities being shared and embedded across partner organisations. There is more work to be done to socialise this vision and support its recognition and understanding of partners contributions towards it. This will require regular and active engagement, investment in relationships, and clear communications.

– **Recommendation Two: Consider the Council's approach to inclusive growth in delivering the 2022 Economic Strategy and maximising the impact of the "Walsall Pound":** There is strong political appetite to support inclusive growth in Walsall. The Peer Team would encourage the Council to be ambitious in this space, this should include ambitions for better paid jobs in the borough, as well as an increase in the

number of roles, and could do more to benefit from the Council's role as a major employer and procurer of goods and services. There is learning available from within the sector on social value frameworks and good employment charters, and this will build on the good foundations that are already in place from the Council's approach through Walsall Works.

− **Recommendation Three: Define the content and deliverables that will be included in the "Proud" initiative going forward:** The Council's "Proud Programme" ran from 2018 to 2022 and identified significant savings within a specific business case. It is appreciated that the Council has now moved towards these principles as an ongoing way of working rather than an individual programme with specific milestones or end dates. However, there is still a need to set-out what this includes (and does not include) in order to support resourcing, reporting, and tracking benefits.

− **Recommendation Four: There is a framework of Plans and priorities that exist across the Council; however, consideration should be given to their alignment and support staff understanding:** The relationship between 'Proud' transformation, "EPICC" priorities, 'PLATE' values, and "WAW2040" vision is a language which is spoken fluently among senior Council officers. There is a need to make sure that these programmes are appropriately aligned, and that this understanding exists at all tiers of the organisation.

− **Recommendation Five: Provide a coordinated approach to issues of EDI to support the workforce to better represent local communities:** The Council has recognised that further work is needed to strengthen work on Equality, Diversity, and Inclusion, this has included good progress to date on your gender pay gap, and the introduction of staff network groups to support staff voices. This should be built on with reporting, publishing, and monitoring progress against other "pay gaps" (such as ethnicity and disability) as well as wider public sector duties. This will support the workforce to better represent the communities of borough.

− **Recommendation Six: Review the Council's approach to flexible working in the round and communicate this clearly to staff:** Through COVID-19 Walsall Council has transitioned from a largely onsite corporate workforce to a largely remote corporate workforce and is now working to strike an appropriate middle ground built around "customer focused ways of working". This needs to be considered in the round alongside the workforce implications for teams, engagement with elected members, Council assets, as well as the strategic approaches to supporting the local economy and being connected to local communities. This work will require engagement and communications to talk through these issues and their relationship to each other. The Peer Team would recommend that this includes Officers attending formal meetings in-

person as far as possible and appropriate, particularly Scrutiny Committees and Joint Consultation Committee meetings with Trade Unions

- **Recommendation Seven: Articulate and consider the contribution of Organisational Development to the next stage of the Council's transformation:** The importance of OD to the next stage of the Council's journey cannot be understated, and the Council should consider the investment of time, capacity, and resource required to support this, as they move to embed proud ways of working. This should include how PLATE values are embedded beyond annual conversations, and how these principles are demonstrated at all tiers of the organisation. This will require regular two-way communication with staff.

- **Recommendation Eight: Maintain effective financial control and establish a sustainable and resilient financial future post-COVID.** In common with most councils, Walsall has experienced additional funding pressures and disruption to its financial strategy during the pandemic which, despite government funding, have had to be managed. The council now needs to ensure that it re-establishes a sustainable budget and maintain reserves to assure its future resilience.

- **Recommendation Nine: Consider the Management Responsibilities of Senior Officers at the Council:** The Council's approach to giving Executive Directors additional responsibility for cross-cutting initiatives such as 'customer experience' is not a model which is used commonly elsewhere in the sector. It is appreciated that this supports senior accountability for corporate priorities and helps work across directorate silos. However, this model will require the Council to be live to implications such as capacity challenges and succession planning in the medium-term.

- **Recommendation 10: Consider the knowledge transfer required from the Council's strategic partner to support the newly established Corporate Hub:** The Council has worked through a strategic partner model to deliver the Proud Programme. Going forward, the Council should consider the benefits that can be gained across the organisation through the knowledge transfer from the Council's strategic partners over coming years to make sure that it maximises the value from this investment. Similarly, there is potential for the Council's Community Hubs to consider the whole council offer beyond the current functions and improve the customer journey.

- **Recommendation 11: Ensure that internal processes are proportionate and consistently applied:** There is potential for the Council to free up capacity within the organisation by simplifying some processes, including report approvals and recruitment processes. This would support capacity to be best aligned to priorities. This should also consider the channels and processes used for sharing information with and

resolving issues raised by Elected Members. This would be welcomed by both officers and members and would free up capacity that is currently being spent resolving these matters elsewhere.

3. Summary of the peer challenge approach

3.1   Background and Overview:

From 2017-2020, the Local Government Association (LGA) delivered 447 Peer Challenges, including 182 Corporate Peer Challenges. This process involves Officer and Councillor Peers from across the sector reviewing Council services and functions through constructive and respectful challenge. This process enables experience and expertise to be shared across the sector collectively and is a central element of sector-led improvement.

These reviews are designed to be locally led, with Councils requesting that Peer Challenges are completed and volunteering to take part. This includes the LGA working with Councils in advance to jointly develop the scope of the review, and key areas of focus. In this spirit, the findings and recommendations from Peer Challenges are locally owned, with Councils responsible for the development of their own Action Plans in response to these reports, and updating staff, partners, and Councillors as appropriate.

The benefit of Peer Challenges has been independently validated, including an evaluation of the process which was completed in 2020 by Shared Intelligence. The feedback which has been received by Participating Councils has included 93% of respondents saying that this process has helped to provide an external view of the organisation, and 94% stating that the process had contributed a positive impact on their relationship with partners.

3.2   The Peer Challenge Team:

Peer Challenges are delivered by experienced Councillor and Officer Peers who are working elsewhere in the local government sector. The make-up of a Peer Team is carefully planned in line with the Council's requirements and the agreed scope. Ahead of this Peer Challenge, the Council supported the development of a scope document by asking for the Peer Team to consider corporate issues and provide constructive challenge to the next stage of the Council's transformation.

The Council requested that there was additional focus placed on issues of staff and customer experience through this review and requested that there was expertise on the team to support this work. It was also possible in this instance for one of the Peer Team members who supported the Council's previous CPC in 2017 to be on the team, enabling conversations to be informed of previous findings. The LGA would like to thank the following Peer Team members for supporting this review:

- Lead Peer: Alison McKenzie-Folan (Chief Executive, Wigan Council)

- Lead Political Peer: Cllr Rob Waltham (Leader, North Lincolnshire)

- Senior Officer Peer: James Binks (Assistant Chief Executive, Manchester City Council)

- Finance Peer: Alan Finch (LGA – Principal Advisor Finance)

- Senior Officer Peer: Jill Greenfield (Service Director, Communities and Customer, Kirklees Council)

- Senior Officer Peer: Tinu Olowe (Director of Human Resources and Organisational Development, Enfield Council)

- Shadow Peer: Ellen Vernon (Programme Director One Public Estate, LGA)

- Peer Challenge Manager: Matt Dodd (Local Government Association)

3.3 The Peer Challenge Methodology:

Peer challenges are improvement focused; and 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, proposals, or specific services. Instead, the Peer Team used their experience and knowledge of local government to reflect on the information presented to them by people they met, documents they reviewed, and the culture which they saw.

The Peer Team prepared for this work by reviewing a range of documents and information to ensure that they were familiar with the Council, the Borough, the opportunities that exist, and the challenges that it is facing. This included a position statement that the Council produced specifically for the Peer Challenge, which is designed to encourage self-assessment, reflection, and dialogue across the organisation. Alongside this position statement, the Council also provided reference documents including (but not limited to) copies of key Plans and Strategies, the Medium-Term Financial Strategy, and service information.

Alongside the documents provided by the Council, the Peer Team also undertook an independent assessment of the performance of Council services and wider Council finance using publicly available information through L.G. Inform. The Team also commissioned a dedicated financial review of the Council's financial position. These assessments were shared with the Peer Team in advance of the review and provided to the Council to support discussion and dialogue on these issues. Prior to arriving with the Council, Peer Team Members contacted their equivalents working at Walsall. These meetings were completed to support the Teams' understanding of the Council, and to the development of appropriate

lines of enquiry. Beyond this, the Team also:

– Collectively spent c. 280 hours to determine and refine our findings (the equivalent of one person spending over seven weeks in Walsall).

– Spoken to over 120 Councillors, Staff, and Partners through a mixture of 1-2-1s and focus groups.

– Reviewed the press and watched online meetings.

– Attended your all staff event and visited your Community Hubs.

– Observed regular meetings.

– Spent time working, visiting, and being in Walsall.

Immediate feedback was delivered to the Council on the afternoon of Thursday 19 January, at a session which was attended by the Council's Senior Leadership Team, the Council Leader, and other Cabinet representatives. A copy of these slides was immediately provided to the Council to support communication with those who took part in the process. This final report was produced in February 2023, with agreement that the Peer Team will engage with the Council approximately six-months following publication to discuss progress against their Action Plan.

3.4   The Peer Challenge Scope:

The Peer Team considered the following five themes which form the core components looked at by all Corporate Peer Challenges that the LGA undertake. These are the areas that are critical to councils' performance and improvement:

– **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?

– **Organisational and place leadership**: Does the Council provide effective local leadership? Are there good relationships with partner organisations and local communities?

– **Governance and culture**: Are there clear and robust governance arrangements? Is there a culture of respect, challenge, and scrutiny?

– **Financial planning and management**: Does the Council have a grip on its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?

– **Capacity for improvement**: Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?

It was requested that when considering these themes, that the Peer Team would consider the implications for the next phase of the Council's Transformation Programme, as well as wider issues of staff and customer experience. Rather than these issues being reported in isolation, this report tries to highlight these issues through the framework above.

4. Feedback:

4.1   Understanding the local place and priority setting:

Through the review process, the Peer Team met with a broad range of local Councillors who showed an impressive knowledge regarding the borough and the communities that they serve. Prior to spending time in Walsall, the Team was provided with access to a range of key documents regarding the borough. These documents demonstrate that the Council has a robust evidence base regarding the needs of the borough, and helped the team to better understand the local area and the associated social issues, including:

- Walsall being more ethnically diverse than the national average with 33% identifying themselves from minority (non-White British) backgrounds according to the 2021 census - up from 23% in 2011.

- There is a significant gap in life expectancy between the boroughs most and least deprived wards of 10.4 years and 8.8 years for men and women respectively, illustrating issues of health inequality.

- Walsall performs well-below the national average on skills and education outcomes, with 28% of residents having degrees (or higher) qualifications, and 70% having GCSE level, compared to respective 43% and 78% national averages.

This information has been used by the Council to inform key strategy documents setting out the organisation's priorities. Importantly, there is also a clear cross-party consensus on the prioritisation of addressing inequalities. This includes the recently refreshed Council Plan which runs from 2022-2025, as well as the wider "WAW2040". Beyond these cross-cutting documents, the Council also has clear plans and strategies, including (not a complete list): Customer Strategy, Digital Strategy, Safer Walsall Plan, Housing Strategy, and Strategic Economic Plan. This is an asset to the organisation that will support management grip, progress, and milestones in these areas. However, there is a continued need for the organisation to manage the interdependencies and relationships that exist across these documents. This includes a need to consider the other benefits which the Council can achieve through these measures that will address wider social challenges in the borough. In this context, there is also a need for clear communication regarding the relationship and prioritisation across their content.

The Peer Team appreciates that the structure of the Council Plan, and the identification of "*markers of success*" supports clear performance reporting. It is good practice that this performance information is presented to Cabinet on a regular basis alongside financial reporting to present these two issues in the round. There is opportunity for this information to be used more within the organisation, including supporting the identification of key issues for working groups to address. The Council will need to keep the measures which are reported under review, to ensure that this performance report reflects the organisation's priorities.

To date, there has been excellent and extensive engagement on the development of the WAW2040 vision for the borough, with 8,000 residents and 2,000 businesses inputting to the process through a broad range of engagement methods. The next stage of the Council's transformation in delivering these ambitions will require these priorities being shared and embedded across partner organisations. This will require further work to socialise the vision, and support recognition, understanding and ownership across local partners. This will require regular engagement, communication, and investment of time and resources into these relationships and a shared understanding of these goals. There is also an opportunity for the Council to build on the conversations that they have had with residents to inform this vision at a locality and neighbourhood level, to work with community groups to increase engagement, and co-produce approaches that support the Council's journey.

The Council should also consider the 'soft power' and influence which they can exert to address outcomes in the borough. This includes political appetite to support inclusive growth and social value to address entrenched inequalities. This presents an important opportunity for the Council to be ambitious in the types of jobs and skills levels which they are looking to develop in the borough. The Council has made some progress in this area, including weighting within some contracts, but there is more that could be done, including considering this in more of the Council's spend, as well as raising awareness of the Council's Social Value Charter and embedding it across the whole organisation and consideration of good employment charters. This would require the Council to consider what can be done to maximise its influence as a major employer and procurer. This would be a timely issue to consider given the Council's significant investment Plan, and the opportunity to maximise local approaches to regeneration through the Future High Street Fund, Town Deal, and Levelling-Up Funding.

The Council has made progress in delivering against some of these priorities. This includes progress through their approach to integrated health and social care services through the mature relationships developed through Walsall Together, which has supported the development of seven integrated teams at a locality level, as well as marked improvement in performance regarding delayed transfers of care. This good practice provides building blocks which will support opportunities for further examples of early intervention and

extending this offer, both through the incorporation of more internal services (e.g., leisure) as well as the contribution of wider partners (e.g., Voluntary and Community Sector). However, there is a need to ensure that the Councils governance and scrutiny arrangements are appropriately structured to support challenge and holding the programme to account, especially as interdependencies with partner agencies grow through the process.

4.2   Organisational and place leadership:

The Peer Team appreciates that there is strong political leadership of the Council and were impressed by the effective and coherent Cabinet which brings together a range of diverse views in developing policy. This is supported by trusted relationships across the senior political and managerial leadership of the Council, which models appropriate member and officer relations to other levels of the Organisation. However, the Peer Team did hear some frustration regarding issues of communication and member enquiries and would encourage the Council to review these processes in these areas. Whilst this may require additional resources, this investment would create clear challenges, but positively would free up capacity that is current being used reactively and be well received by officers and members.

The current structure of the Council's senior management roles has been designed to share good practice across directorates as well as joined-up approaches to cross-cutting issues. This includes Executive Directors leading on corporate priorities alongside their service responsibilities.   Whilst this has value, we would encourage the Council to be mindful of the challenges this creates with regards to balancing improvement and accountability, and the potential challenges this could create for workloads and succession planning.

The Peer Team heard praise for the leading role of the Council in the borough's response to the Coronavirus pandemic. This leadership, and the development of new ways of working has improved engagement and interactions with local voluntary and community groups, and there is a potential to do more in this space, and an appetite from groups to work with the Council. To this end, the Council will need to consider the resources which will be required to support this work and the development of a consistent approach to working with community groups across the organisation. This work is currently being developed through the Council's "resilient communities" work, however, there were mixed definitions of this programme provided to the Peer Team and there is potential for this work to move beyond 'resilience' to incorporate issues of 'co-production' and 'co-creation' with groups. A significant development that would support progress in this area would be moving towards longer-term funding arrangements with Voluntary and Community Sector Groups, which would provide them stability of resources and would support the organisation

to move towards engagement on more strategic issues over the medium-term, rather than capacity being invested to support funding cycle discussions.

The Council was seen as a "pragmatic" and "positive" partner for other organisations to work with. However, the leadership of Place happens at a number of levels. There is huge potential for Walsall to consider the contribution that partnerships across these levels can make towards their priorities (Region, sub-region, borough, neighbourhood, and hyper-local). This approach will support alignment and ensure that these inter-twined and overlapping networks are working towards consistent outcomes and maximising the contribution of a broad range of partner organisations. This could be accompanied by a review of partnership governance arrangements to embed this alignment into formal structures, reduce duplication, and maximise collective efforts.

The Peer Team was provided with examples of Walsall's contribution to the West Midland's Combined Authority and the Black Country Local Enterprise Partnership (as responsible body). Given the structural reforms which are taking place to LEPs, there is a need for the Council to align resources to new arrangements and contribute proactively to these forums. The team heard there were opportunities for Walsall to make stronger contributions to the West Midlands Combined Authority in order to help drive benefits for the borough. This will require some internal coordination so that the Council's priorities on issues of Housing, infrastructure, and transport are clearly defined and supported with appropriate businesses cases to support their propositions when negotiating with partners over a larger geography. There is also an opportunity for the Council to establish a local business forum to enable the Council to highlight this context and emerging opportunities to the local business community.

4.3   Organisational Governance and Culture:

The Council operates through a Leader and Executive model, with nine portfolio holders sharing responsibility across the breadth of Council Services. This group works through a collective decision-making model and meets on six-weekly cycle. The Peer Team heard praise for the quality of reports that were presented at these meetings, however, it was recognised that there is a lengthy approval process for these reports being approved with multiple checkpoints. The Council is introducing an online portal to support improved efficiency in this area; however, this will also require consideration of cultural issues of permission.

The Council's approach to Scrutiny is structured around five Committees with voting members drawn from beyond the Executive. This includes a Scrutiny Overview Committee

which provides oversight and supports coordination and planning, with four service specific Committees focusing on areas of Education, Children's, Social Care/ Health, and Economy/Environment. There is a mixed approach to appointment of Committee Chairs, with some Committees being Chaired by the ruling group, and others by the opposition (which is seen as good practice within the sector). The Council has introduced dedicated Scrutiny Training to support these Committees as well as a 'recommendation tracker' to support their oversight and grip.

Whilst it is a legal requirement for formal Committees (and voting members) to meet in person, this does not extend to the officers supporting the meeting, and that we heard there are occasions where officers from the Council and partners attend remotely. The Peer Team encourages the Council to ensure officers do consistently attend in-person meetings as appropriate, such as formal Committees as well as other key meetings, for example key engagement with Trade Unions.

There are good relationships across the organisation and a good understanding of the respective roles of officers and members which has been supported by a robust member development programme. This programme draws on internal officers of the Council, as well as external representatives and is underpinned by public commitments by Councillors to invest in their development.

These relationships underpin robust governance at the Council that has responded well to external change over recent years. During our time on site, the Team heard particular praise for the Council's Audit Committee, and recognition for the contribution of the Chair in taking this forward over a number of years. This includes the effective use of a risk strategy, clear reporting of corporate risks, and constructive engagement with external audit. This continuity of Chair has been important to the Committee as there has been a level of churn in other Committee Members.

The Peer Team appreciate that governance and culture are often set by the relationships that exist across the 'golden triangle' of statutory officers (Chief Executive, Section 151 Officer, and Monitoring Officer). We would suggest that these officers make dedicated and regular time to share information and support continuity of approach in managing risk as these transitions take place.

The Peer Team enjoyed attending the staff recognition awards event that was held during our time on site and gave an illustration of the Council's approach to engagement. This is accompanied by a clear increase in levels of employee engagement from 57% to 61% from 2017 to 2021 as shown through the Council's Employee Survey.

Through this event, and our wider time onsite, the Peer Team met with many talented and passionate staff, and we encourage the Council to consider how they can best support and develop these assets through Organisational Development, and the creation of a more permissible environment that will support their growth over coming years. Central to this work will be considering and communicating the Council's approach to flexible working. The Peer Team heard that this was interpreted and applied differently across directorates, this needs to be considered alongside issues of workforce, community engagement, the Council's physical assets, and regeneration ambitions and be applied consistently across the organisation.

Walsall's current People Strategy (2023-2026) is built on the PLATE values (which were introduced through the Proud Programme 2018), but further work is required to embed these principles within the organisation. Therefore, the Council needs to consider how these are communicated regularly to support staff understanding and recognition beyond employees' annual conversations with their manager. This work needs to include how values are communicated on a 'day-to-day' basis through the actions of Officers and Managers, to ensure that they become the lived experience of those who work for and with the Council. Beyond these issues of Organisational Development, there is also a need for more consistency on standard Human Resource processes, as reflected by only 49% of staff having had their annual conversation with their line-manager, as well as the need for increased awareness on offers of help and support available to the wider workforce and consistency of practice on training opportunities and long-term sickness. It was also presented to the team that the current processes of recruitment are complex and time consuming, and there was significant appetite for them to be simplified.

Importantly, the Council is aware that there is further work that is needed to strengthen their approach to equality, diversity, and inclusion (EDI). The recent introduction of value-based recruitment gives the opportunity to support the recruitment of under-represented groups and support the organisation's workforce to better reflect the communities it represents. This is issue is particularly true in the senior roles of the organisation, and thought should be given to how the Council can improve progression rates. The Council's work to-date on EDI has included good progress through the introduction of the Corporate Equalities Group as well as staff network groups, but it is recognised that these are used differently in some Directorates and there would be a benefit to more corporate ownership of these issues and consistency of practice. The Council may wish to consider reporting against other 'pay gaps' as well as the gender pay-gap to support progress as well as wider public sector duties.

4.4   Financial planning and management:

The net revenue budget for Walsall Council is £226 million. The Council has demonstrated effective financial management over recent years, including the delivery of historic savings and efficiencies (£225m since 2010/2011). The Council manages their budget process strategically, and there is clear alignment between resources and the political priorities of the organisation. This includes the reporting of budgets at an Outcome level, setting out the total revenue budget spend against the priorities included in the Council Plan. This promotes clarity of spend on key areas and will support further conversations regarding outcome-based budgeting should the Council wish to continue to develop this. In particular, as the council moves towards a more data-driven approach, there is the opportunity to use this to inform resource allocation and thence budget setting and to bring together the reporting of budget and performance management information.

Throughout the review process, Peers were told of the "*credibility*" and "*capability*" of officers in the Council's Finance Team to support work in this area. This included praise for the support that they provided to key finance committees, as well as the team's role as a business partner in supporting directorates with their financial grip.

Like others, Walsall Council is working within the context of wider financial challenges. This is reflected in the savings which are required over coming years, with the Council needing to save £16.3 million in 2023/24 and having a further four-year budget gap of £52 million from 2024 onwards. These figures have been well developed and tested, and it is encouraging that the Council already has plans identified for the delivery of £20 million saving in this envelope. However, this naturally highlights the further work required over the coming months and years to develop budget proposals within the Council's Medium-Term Financial Plan, in this context, there is a need to make sure that saving proposals are robust prior to their inclusion to mitigate the risk of slippage and non-delivery. In 2022/23 the Council identified savings of £24 million, but there is currently £7million which is highlighted as 'at risk' and increased preparatory work may reduce this issue in future years and support the Council to achieve full year benefits from reforms and changes.

The Council is also facing immediate cost pressure reflecting those across the wider sector, with issues of inflation, increased demand, cost-of-living crisis, and social care reforms all presenting short-term challenges. This has presented as significant pressures on the revenue budget, with the Council reporting a projected overspend of £11.3 million in the month before the Peer Review, with pressures emerging especially in Adult Social Care. In response, the Council has reviewed budgets and identified mitigating actions in 2022/23. This is not out of step with the experience of other authorities post-COVID, but it is

nevertheless important to maintain robust control over spending and investment, particularly in demand led areas, to plan a sustainable way forward and to ensure that budget reporting is supporting timely conversations on mitigating actions.

The Council is forecast to close 2022/23 with adequate levels of reserves, currently holding £16.6 million in general fund reserves, as well as earmarked reserves of £167 million (from £217 million at the start of 2022/23, largely from COVID grants). This level of reserves provides the council with some assurance as to its financial resilience, but the use of reserves underlines the message about ensuring a sustainable future.

The Council has a significant Capital Budget with £310 million identified over the coming four years (2022-2025). There has been significant re-phasing within this programme with £92.6 million (40%) being reprofiled from 2022/23 into 2023/24. Given the inflationary pressures facing the Council, further work may be needed to consider the affordability of some proposals, and to support prioritisation and decision making based on benefits and returns in this changing context.

The Council is currently in year 18 of 25 for a lighting PFI that they entered in 2005. It is good practice to review these arrangements as the enter into their final six-years. This is one of a number of PFI that the Council reported through their annual accounts, and these should be reviewed both individually and collectively.

4.5   Capacity for Improvement:

The Council's capacity for improvement has been demonstrated through the Proud Programme (initiated in 2018), which has had a positive impact for staff and customers (including a 4% increase in customer satisfaction). Moreover, this programme has supported the Council to develop these skills and experience which can now be applied to other issues and future transformation as this becomes the organisation's approach to change. To-date, this work has been supported through the commissioning of a strategic partner which has provided capacity and expertise to support this work. As this arrangement comes to an end, the Peer Team encourage the Council to maximise the knowledge transfer from these arrangements to support the organisation to be able to take forward the next phase with less external support and ensure that the remaining savings (£16m) associated with the original Proud Programme are monitored and managed through this transition.

The Council has added capacity to a number of key corporate areas, including the development of Programme Management Office and Corporate Hub (including increased communication capacity) which will be a valuable asset in taking forward this next phase. The challenge for the Council will be making sure that this capacity is best aligned to

support progress against key priorities and minimising the risk that it could be 'spread too thinly'.

A further key area to support the next phase of transformation is Organisational Development, and, as with other key areas, the Council should consider the investment and capacity required to support this. The Council has a recently developed OD Strategy but there is more work to be done to share and socialise this document and move this work on to the next level. This could also include drawing on the ideas and innovations that exist within the workforce and more widely within the sector to support further improvement within the Council. This will naturally link to taking forward the findings from the 'pulse' surveys which the Council has completed and the dialogue which has begun through this process.

During our time with the Council, the Peer Team have been told of a number of internal processes which could be improved and made more efficient. This included specific examples regarding invoicing, recruitment processes and report approvals. Making improvements with these processes would be welcomed by staff, and more importantly would release capacity to further support organisational focus on priorities.

There is potential for the Council to work more closely with partner organisations and benefit from their capacity and contributions towards outcomes in the borough. This will require the Council to be able to understand the roles and contributions of partners at different levels, including regional, sub-regional, borough and community. Similarly, the progress and engagement through WAW2040 presents an opportunity to improve dialogue with local residents and community groups and utilise community capacity through co-designed solutions to issues.

Finally, Walsall Council has a clear appetite for continuous improvement, as shown by their appetite for external challenge through this peer challenge. Going forward, we would encourage the Council to continue and expand the use internal challenge and processes to further build and embed this appetite and support service improvement. This approach will support the Council to adapt to a changing operational context, as well as new ways of working. This challenge will need to be based on timely and accurate data and intelligence regarding finance, services, staff and customer experience. This will support prioritisation, the targeting of actions, as well as demonstrating progress and improvement over coming years.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings over the coming weeks. To support transparency, the

Council is expected to publish this report within six weeks of receiving a final draft. There is also an expectation that an action plan is publicly available within eight weeks of the report's publication.

Both the peer team and LGA are keen to build on the relationships formed through the Corporate Peer Challenge Revisit. This process includes a six-month check-in holding a structured conversation across Peers and the Council to consider progress made against these recommendations.

In the meantime, Helen Murray, Principal Advisor for the 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 and can be contacted by email Helen.Murray@local.gov.uk