



Northumberland

County Council

COUNTY COUNCIL

DATE: 18TH JANUARY 2023

Response to the Challenge Board Interim Report 1 for the Member Oversight Group

Report of: Cllr. Glen Sanderson, Leader of Council

Executive Director: Rick O'Farrell, Interim Chief Executive

Purpose of report

To consider and respond to the first interim report of the Challenge Board, provided to the Member Oversight Group on the 23.12.22.

Recommendations

County Council is recommended to:

1. Note the initial findings and suggested next steps proposed in the Challenge Board's first interim report.

Link to Corporate Plan

This report contributes to the 'delivering value for money services' priority.

Key issues

The Independent Governance Review ('Caller Review') was reported to Council at its Extraordinary meeting of 8th June 2022. The Caller Review and the Council's response to its recommendations represent a critical opportunity to revise the ways in which we work, improving and strengthening our structures, governance, culture and values.

Background

In 2021, the Leader of Council took the decision to commission an independent review of governance in the Council. The final report of the Independent Review of Governance (known as the 'Caller Report') was presented to Full Council in June 2022.

In line with the Caller Report recommendations a cross-party, Member Oversight Group, ("the MOG"), was established to oversee the development and delivery of an Improvement Plan in response to Caller.

Again, following the Caller recommendations, the Leader of the Council asked the Local Government Association (LGA) to establish an external Challenge Board of experienced local government Elected Members and Officers to advise the Council on its improvement journey as a “critical friend.”

The Challenge Board was established and met formally for the first time in October 2022. It has so far met three times and has engaged with a range of stakeholders, including:

- The Council’s Leadership and Cabinet;
- Members from across the different political groups (follow-up sessions are planned for Labour Group Members);
- The Council’s Executive Team;
- A sample of staff groups representatives and tier 3/4 managers; and,
- External partners.

Following its first three meetings, the Challenge Board drafted its first, interim report and presented its findings to the MOG on the 23.12.22. This is attached as Appendix A. These are the Board’s initial findings, based on the documents and discussions they have held so far. As the Board continues to meet with Officers and Members as well as considering other evidence, they will gain deeper insights into the progress the organisation is making on its improvement plan.

Overall, the Board’s interim report presents a positive picture of progress across the Council’s Improvement Plan. Alongside this, the Board has provided feedback and advice on six key areas of our work. These are set out below, with an initial response to these points outlined in bold.

Key findings

1. The biggest challenge is the long-term need for change in culture, including the rebuilding of trust. We feel the best next step on this is for the Council to produce a longer term, 3-year, holistic, overall improvement plan which is clear about what success would look like and how the current actions (and any currently missing actions) would achieve this, especially around culture, behaviours, values and ethos. The Board would want to work with the Council to help develop this.

Response

This finding is set in the context of overall positive progress on our Improvement Plan. We believe that the relationships and basis for working between Officers and Members has improved markedly over the past six months as has the level of engagement between Leadership / Chief Executive and the wider staff groups. However, we accept that embedding positive culture change is a long-term commitment and project for the Council at all levels of the organisation. We have recently received the latest feedback from the staff survey, which provides emerging evidence of the improvements seen in last six months. We have further developed our plans for culture and values and need to engage with the Board on the latest plans. We welcome the offer of the Challenge Board to help us develop a longer-term, outcomes-based culture change programme.

2. The Council should consider the pace of some sensitive and crucial changes. Are you going too quickly on a radical restructure and transformation programme? There is clearly a need to get on and sort out the officer structure at the Council. But this should be balanced against ensuring you are taking people with you and that there is an

opportunity for the incoming permanent CEO to oversee and drive this. Otherwise, there is a risk it may need to be repeated. It needs to be done just once and properly, with the right groundwork and having explained the rationale and reasoning behind specific proposals. The current haste is leading to mistrust and suspicion.

Response

So far, the Interim Chief Executive has led engagement (alongside the Executive Team) of staff who are potentially impacted by the ongoing restructure of tiers 3-4 of the management structure. The Council has also commissioned expert advice to ensure structure proposals reflect the most up-to-date approaches across the sector, the incoming Chief Executive has also been kept informed of the work being undertaken. However, we accept it is important the new Chief Executive has visible ownership of this process and therefore are reviewing the restructure timetable to better align with the new Chief Executive taking up her post in February 2023.

We have recently completed the discovery phase of the transformation programme and the strategic business case outlining key priorities and implementation will be going to January Cabinet for approval. That will provide a springboard for the launch of our communications and engagement strategy. Although delivering the savings that are required to support the MTFP over the next 3 years is a key driver for the programme, this is not the exclusive focus. It is also about finding new and better ways to deliver services for local residents, investing in our workforce and developing a fit for purpose, modern organisation. However, we accept it is important the new Chief Executive has visible ownership of this programme and therefore align the timetable for this work with the new Chief Executive taking up her post in February 2023.

3. It is positive that a way forward for the 2023/4 budget has been identified, but the Council needs to move forward for the longer term with a clear 3-year financial plan driven by the Corporate Plan priorities. This should be developed by all members with support and advice by officers.

Response

We accept this point and are confident the refreshed Corporate Plan will support this process moving forward. The Corporate Plan refresh process invites all Members, Officers from across all Council services, the Public, Town and Parish Councils and Business Leaders to be engaged in its development. Developing a three-year financial plan will be challenging for all Councils given the current context of inflationary pressures.

4. The Groups should co-design and lead the delivery of effective training with members around code of conduct and behaviour, including the Nolan Principles. This should be evaluated to see how successful it has been.

Response

We accept this point. We have further developed our plans for the code of conduct but need to do more to engage with the Board on these latest plans.

5. The Council should arrive at an agreed protocol on appropriate access to information, including exempt information to give clarity on what members can and can't have (and why), but also defining the personal responsibility of members to respect confidentiality around this, in order to rebuild trust.

Response

We accept this point. We have further developed our plans for providing access to information but need to do more to engage with the Board on these latest plans.

6. The Council should proactively produce internal and external communications about what the Council is doing to meet its improvement challenges. The Council should be proud of the start it has made but should speak up about its ambitions and plans for further change.

Response

The Leader has already outlined our improvement progress and ambition in a recent article in the trade press. This has been further evidenced in results from the recent staff survey. The Leader and Chief Executive have personally led a new approach to staff engagement – e.g. through live Q&A sessions where staff are encouraged to ask the Leader and Chief Executive anything and a number of visits across the County to meet staff. We need to share more of our current engagement with the Board, so they are sighted on this progress. At the same time, we will reflect on the Board’s advice and review our approach to communicating progress and future plans to see what more we can do, particularly to those outside the Council.

It should be emphasised that solid progress is being made by the Council across a number of these areas and the Board acknowledges they are still going through the engagement stage and getting to understand the progress made to date.

That said, it is agreed that for the Challenge Board to advise on and help shape the Council’s improvement actions and to be able to be that ‘critical friend’ providing robust challenge, the Council needs to engage with the Challenge Board across all areas more fully.

Whilst good progress has been made in the short time the Board have been working with the Council, there is an opportunity to increase the level of collaboration and co-design, to better embrace what the Board can offer to support and shape the improvement work so as to achieve the best possible results for residents.

Implications

Policy	None
Finance and value for money	Value for money, transparency and accountability are key aims of the Council. Whilst this Report contains no direct financial implications, the delivery of the individual actions of the Improvement Plan will have financial implications. Any financial

	implications will be the subject of separate reports in relation to specific actions at the appropriate time.
Legal	Whilst this report contains no immediate legal implications, the delivery of the individual actions in the Improvement Plan may have legal implications. Any legal implications arising from the delivery of specific actions will be brought forward in future reports.
Procurement	None
Human Resources	Links to the CEO, Executive Team and Council Wider appraisal and performance framework.
Property	None
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	None
Risk Assessment	Failure to implement specific actions from the Improvement Plan in response to the Caller Review recommendations could impact negatively on the Council's Strategic Risks.
Crime & Disorder	None
Customer Consideration	None
Carbon reduction	None
Health and Wellbeing	None
Wards	All

Background papers:

Independent Governance Review ([02.2 NCC Governance Review finalwatermarkcopy.pdf](#)
([moderngov.co.uk](#)))

Challenge Board Interim Report 1 for Member Oversight Group (23.12.22).

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

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