



# Northumberland

## County Council

**COMMITTEE: COUNCIL**

**DATE: 14<sup>TH</sup> JUNE 2023**

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### **Challenge Board Report**

**Report of:** Cllr. Glen Sanderson, Leader of Council

**Responsible Officer:** Dr Helen Paterson, Chief Executive

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#### **1. Purpose of Report**

1.1 The purpose of this report is to consider and respond to the Challenge Board Report (dated 14<sup>th</sup> June 2023) which is attached at Appendix 1. The Council's response and recommendations are set out below.

#### **2. Recommendations**

2.1 Council is recommended to:

- (i) Note and receive the Challenge Board report as attached at Appendix 1.
- (ii) Receive and note the Challenge Board Recommendations.
- (iii) Approve the Council's responses to each of the Recommendations as set out in paragraph 5.10 of this report.
- (iv) Agree the work of the Challenge Board is now complete and that their work with the Council will conclude.
- (v) Thank the Chair and all Challenge Board members for their support, advice and guidance during the past year.

#### **Link to Corporate Plan**

This report links to all priorities of the Corporate Plan.

#### **3. Key issues**

3.1 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 have helped to improve the ways in which we work. Together, over the past year, Members and Officers have taken this opportunity to: revise and clarify structures; strengthen and refine governance; refresh the values & behaviours framework; and, reset working relationships, leading to a more positive working environment and more opportunities for Member input.

#### **4. Background**

- 4.1 In 2021, the Leader of Council commissioned 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 on 8<sup>th</sup> June 2022.
- 4.2 At its meeting of 8th June 2022, Council considered a report by the Leader and Deputy Leader on the Independent Governance Review (The 'Caller Review'). Following this, Council agreed to form a Steering Group on a task and finish basis, to consider the Council's response to the 'Caller Review' and its recommendations. It was further agreed that the Steering Group would meet within seven days of 8th June and report back to the County Council on 21 June 2022.
- 4.3 At its meeting on 21<sup>st</sup> June 2022, Council resolved that:
- The Report of the Independent Governance Review (The 'Caller Review') be formally received.
  - The findings of the Caller Review Report be accepted.
  - The Task and Finish Steering Group's initial proposed Plan of Action in response to the Caller Review and its recommendations be agreed.
  - A further report be received from the Task and Finish Steering Group on 6 July 2022, the next ordinary meeting of the Council, setting out a more detailed timetable and assessment of resources required to implement the Caller Review recommendations.
- 4.4 Council duly received a further report from the Task and Finish Steering Group on the 6<sup>th</sup> of July. At that meeting, Council resolved that:
- Council note and agree the Task and Finish Steering Group's Plan of Action in response to the Caller Review and its recommendations;
  - Council submit to the Task and Finish Steering Group for its consideration, any suggested additional actions or changes to the proposed actions in the Plan of Action; and,
  - Council approve the establishment of an Advisory Challenge Board, and its terms of reference [shared with Members at the Council meeting], and authority be delegated to the Interim Deputy Chief Executive, in consultation with the cross party task and finish steering group, to confirm the nominations to the Advisory Challenge Board.
- 4.5 A cross-party, Member Oversight Group, ("the MOG"), was established to oversee the development and delivery of an Improvement Plan.
- 4.6 The Local Government Association (LGA) worked with the Council 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.

4.7 Since October 2022, the Challenge Board has met regularly at County Hall. Outside of those meetings, individual Board members engaged as needed with Officers, Members and other stakeholders.

4.8 The Challenge Board drafted this third report (attached as Appendix 1) and the report was shared with the MOG on 31<sup>st</sup> May. Following this, the Chair of the Board discussed its findings with the MOG on 6<sup>th</sup> June.

## **5. Key messages from the Challenge Board Report**

*“Officers and members have worked really hard to make progress, in a short space of time, on the 9 Caller recommendations.” [Challenge Board Report 14<sup>th</sup> June 2023]*

5.1 This Challenge Board report contains much to be positive about. It is clear the Council – Officers and Members working together – have made progress in a relatively short space of time on the actions to respond to the Caller Recommendations. This builds on earlier, positive progress the Board commented on in its first two reports to Council.

5.2 In its first, interim report to Council in January this year, the Board highlighted the Leader of Council’s decision to invite in Mr Caller’s team as a “brave and correct one”. That report also underlined the Leader’s “...energetic and determined response to the report’s findings... [his] personal commitment to driving the improvement agenda forward is self-evident.”

5.3 Despite an uncertain economic and social context, the Board also found in its first interim report that the Council had “quickly put in place many actions to respond to the [Caller] report and it had done this “alongside a continued focus on, and energy spent, on big projects that will bring significant benefit to the County such as The Northumberland Line.” In the same report, the Board heard a widespread view that the recent changes at the most senior officer level had had a positive impact on the atmosphere in County Hall and the Board were also told that the “behaviours across all Groups were feeling better, with less antagonism.”

5.4 In its second, interim report to Council in March this year, the Challenge Board stated it had heard from people inside and outside the organisation, that the Council feels ‘better’ and ‘calmer’. The report pointed out the appointment of the new Chief Executive and her top team had brought certainty and stability, creating a “different feel about the place” and that “[the] mood has changed.”

5.5 Alongside these messages of positive progress, the Board has in all its reports, including this one, shared numerous, constructive challenges on how the Council is delivering on its improvement actions. This is only right – this is after-all a ‘Challenge Board’. Crucially the Council has listened to the Board’s advice and challenge. For example, we listened to their advice and took more time on the tier 3-4 restructure to enable the incoming Chief Executive to take ownership of this process. We listened to the Board’s advice on taking longer to redraft the Corporate Plan to enable more engagement. The Corporate Plan is a better document due to that additional engagement and, there will be further engagement on Corporate Plan target-setting during the Summer as well as engagement with partners towards a County Plan. The Board provided detailed, valuable advice and support on the redraft of the Council’s

Constitution and we took that on board too, producing a much-strengthened Constitution which the Council adopted at its recent AGM.

5.6 So, the past year has seen an intensive period of improvement activity, almost from the first day of Mr Caller sharing his Review Team's findings with Full Council on the 8<sup>th</sup> June 2022. This activity and resultant progress is reflected in all three of the Challenge Board's reports.

5.7 The Board are equally clear in their report to this meeting that the actions we have delivered will take time and ongoing focus to be embedded in the organisation and to make long-term, positive change in culture and ways of working. We agree with the Challenge Board on this critical point. Indeed, as the Board points out, this would be the case in any local authority undergoing such change. Again, like most Councils, there will be a period of fine-tuning actions already delivered, further developing targets and, of course, reviewing progress.

5.8 In many respects these activities will be ongoing and, it is useful to remember what Mr Caller said in response to a question when he attended Council last year: "...[He] would not rate councils as he had never known one to be either all good or all bad."

5.9 So, the Challenge Board's report (and indeed it's two earlier interim reports) is clear on two themes: firstly, the Council has made progress in taking forward its improvement actions – and this has made a positive difference in the short-term; and, secondly, it will take time and ongoing development to ensure these actions deliver the long-term change and improvement we all want to see.

5.10 What's also clear from the Board's report, is there is no longer a compelling case to retain the services of a Challenge Board. The Board has been a valued, 'critical friend', particularly during the period of transition to a new senior leadership team. That team is now established, with a 'seasoned' Chief Executive and permanent, Executive Director structure in place. Together with Members, the Chief Executive and Executive Team are now taking forward the Council's 'BEST ways of working' which will build on, refine and strengthen the actions already undertaken to respond to the 'Caller Recommendations'. The Challenge Board's report makes eight welcome recommendations, which are largely about embedding, reviewing and developing actions further. These are listed below with the Council's proposed responses to these:

*"...we will leave you with our recommendations..."* [Challenge Board Report 14<sup>th</sup> June]

#### **Challenge Board Recommendation:**

- 1. Develop a clearly articulated transformation/improvement plan to drive and support the council's improvement journey. This should have clear accountabilities and receive both cross-party and independent oversight.**

#### **Proposed Response:**

- This will be taken forward through our BEST way of working which was formally launched in April this year and will include, amongst other initiatives, a Best Value baseline assessment for the Council. Economic Growth and Corporate Services Overview and Scrutiny Committee will provide cross-party oversight of improvement actions and Audit Committee of governance matters as part of their review and

approval of the Annual Governance Statement (AGS). The AGS will also be subject to independent review as part of the external audit process.

**Challenge Board Recommendation:**

- 2. Ensure that all Corporate Plan actions have clear success measures/targets to enable accountability to be monitored [and] that the Corporate Plan drives the Council and develops into a linked plan for the whole county.**

Proposed Response:

- This work is planned for Summer 2023 and will build on the engagement in the Corporate Plan by Members and Officers.

**Challenge Board Recommendation:**

- 3. Keep the post of interim MO under regular review with the aim of a permanent appointment at the earliest opportunity.**

Proposed Response:

- We will, of course, do this as a matter of good practice and sensible succession planning.

**Challenge Board Recommendation:**

- 4. Develop a leadership development programme for the senior team to enable the team to be fit for purpose to meet the challenges ahead, including the need to speak truth to power and to support the whole Council with good member and officer engagement.**

Proposed Response:

- Development and coaching activity started in May 2023 and will continue to develop in the coming months.

**Challenge Board Recommendation:**

- 5. Ensure that the whole Council are supported to be a part of the improvement journey.**

Proposed Response:

- This is happening already and will continue. All Groups have access to the Chief Executive and Senior Team. Members have also embraced the new 'Policy Conferences' which have been established as a further way for all Members to put their ideas into policy development through open, informal and cross-party discussion.

**Challenge Board Recommendation:**

- 6. Maintain focus on a clearly articulated member development programme to address the required improvements in member behaviour, as well as enabling members to be more effective in their roles, including through stronger and influential scrutiny.**

Proposed Response:

- This work has been underway since March. Prior to that, Member development took place through extensive engagement in the Council's improvement actions (Corporate Plan, Constitution, Code of Conduct). The whole organisation, including

Members and Officers, will continue to build on and strengthen our approaches to Member development. Of course, we recognise this will take time to embed, though there is demonstrable evidence that the building blocks are now in place for us to do that.

**Challenge Board Recommendation:**

7. **Ask Local Partnerships to continue to provide you with advice on the robustness of the governance changes around Advance and to undertake a regular review to protect the council’s interests.**

Proposed Response:

- We have taken advice from Local Partnerships and, in future, will continue to seek expertise from a range of advisors as appropriate. We will consider inviting Local Partnerships (or another provider) to review of how the new company governance arrangements are working in a year's time.

**Challenge Board Recommendation:**

8. **Receive an LGA-managed, focussed, Corporate Peer Challenge before the end of the municipal year and ensure that the recommendations of this report are considered as part of that.**

Proposed Response:

- We are committed to this and will start to plan for this in the coming months.

5.11 Responding to the above recommendations will not, by itself, require a Challenge Board to be in place and the Challenge Board Report does not make that case. Nor does it set out any actions or lack of actions which would call for ongoing support from a Challenge Board.

5.12 However, the Council will continue to seek advice and challenge as it moves forward. Indeed, we embrace the Board’s final recommendation to undertake a focused peer review before the end of the Municipal Year. This, we believe, will provide us with a timely and appropriate level of ‘check’ and feedback on our ongoing improvement journey.

5.13 The Leader of Council and Chief Executive thank the Challenge Board for the advice, support and time they have given to the Council. We are also grateful for the role and resource commitment to the work of the Challenge Board provided by the Local Government Association.

**Implications**

<b>Policy</b>	This report links to all aims and priorities of the Corporate Plan.
<b>Finance and value for money</b>	Value for money is a priority of the Council. The completion of the Challenge Board’s work will reduce expenditure associated with the Board’s activities. Otherwise, this Report contains no direct financial implications. The ongoing delivery of the

	individual actions may have financial implications, which would form separate reports as these arise.
<b>Legal</b>	Whilst this report contains no immediate legal implications, the delivery of the Council's 'BEST ways of working' may have legal implications. Any legal implications arising from the delivery of specific BEST initiatives will be brought forward in future reports.
<b>Procurement</b>	N/A
<b>Human Resources</b>	Links to the appraisal and performance frameworks.
<b>Property</b>	N/A
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	N/A
<b>Risk Assessment</b>	Failure to implement specific actions from the Improvement Plan in response to the Caller Review recommendations could have impacted negatively on the Council's Strategic Risks
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	N/A
<b>Carbon reduction</b>	N/A
<b>Health and Wellbeing</b>	N/A
<b>Wards</b>	All Wards

## **Appendix**

Appendix 1 - LGA – Challenge Board Report - 14<sup>th</sup> June 2023.

### **Background papers:**

N/A

### **Linked Reports and mins**

Solace [Independence Governance Review](#) (known as the Max Caller Report)– Full Council 8<sup>th</sup> June 2022

[Report of Governance Review Task and Finish Cross Party Steering Group](#) – Full Council 21<sup>st</sup> June 2022

[Challenge Board Interim Report 1](#) – Full Council 18<sup>th</sup> January 2023

[Response to the Challenge Board Interim Report 1](#) – Full Council 18<sup>th</sup> January 2023

[Challenge Board Interim Report 2](#) – Full Council 22<sup>nd</sup> March 2023

[Challenge Board Interim Report 2](#) (response) - Full Council 22<sup>nd</sup> March 2023

### **Report sign off.**

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

	Full Name of Officer
Chief Executive	Dr Helen Paterson
Monitoring Officer/Legal	Suki Binjal
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