

Annual Governance Statement

2021/22

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1. Scope of Responsibility

- 1.1 Dudley Metropolitan Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a duty under the Local Government Act 2000 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance (including the system of internal control) of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 The purpose of the Annual Governance Statement (AGS) is to explain how the council has endeavoured to deliver good governance through the arrangements in place during the period covered and how the council has reviewed the effectiveness of these arrangements. It also meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to undertake a review of the effectiveness of internal control and publish an AGS. The AGS covers the financial year 2021/22 and the subsequent period up to the sign off of the 2021/22 Statement of Accounts and therefore governance issues up to the date of approval of the audited accounts need to be considered.
- 1.4 The AGS should be read in conjunction with the council's Code of Corporate Governance. The Code of Corporate Governance provides details of the framework the council has put in place to meet the principles of effective governance as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in their guidance "Delivering Good Governance in Local Government".

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the arrangements (including political, economic, social, environmental, administrative, legal, and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved. It places the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance structures and processes and stresses the importance of taking account of the impact of current decisions and actions on future generations.
- 2.2 Risk management and internal control are a significant part of the governance framework and are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve objectives and priorities and can therefore only provide reasonable and not absolute assurance of effectiveness.

The systems of risk management and internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's objectives and priorities, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. The Governance Framework

- 3.1 Dudley MBC's governance framework comprises the strategies, plans, policies, procedures, systems and processes and values and behaviours that assist the council in delivering its strategic objectives/priorities and provide services in an appropriate and cost effective way.
- 3.2 The full Council is ultimately responsible for the development and maintenance of the governance environment. Responsibility is delegated down via the Constitution to Cabinet, other Member Committees and Officers (See **Appendix A** for a description of the council's structure).

The key statutory positions in relation to governance are:

- Head of Paid Service (Chief Executive) who must ensure that the council is properly organised and staffed,
 - Monitoring Officer (Lead for Law and Governance) who must ensure the lawfulness and fairness of decision making,
 - Section 151 Officer/Chief Finance Officer (Director of Finance and Legal) who must ensure the lawfulness and financial prudence of decision making and the proper administration of the council's financial affairs,
 - Head of Internal Audit (Head of Audit Services) who is responsible for delivering an annual opinion on the effectiveness of the framework of governance, risk management and internal control,
 - Statutory Scrutiny Officer (Democratic Services Manager), who promotes and provides support to the council's overview and scrutiny functions and gives advice to Members and Officers on these functions.
- 3.3 The Council's governance framework is detailed in a Code of Corporate Governance that is updated on an annual basis. The Code of Corporate Governance is based on the 7 principles detailed in the CIPFA/SOLACE guidance "Delivering good governance in Local Government":
- Behaving with integrity, demonstrating strong commitment to ethical values,
 - Ensuring openness and comprehensive stakeholder engagement,
 - Defining outcomes in terms of sustainable economic, social and environmental benefits,
 - Determining the interventions necessary to optimise the achievement of the intended outcomes,
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it,
 - Managing the risks and performance through robust internal controls and strong public financial management,

- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

[Code of Corporate Governance September 2021](#)

4. **Review of Effectiveness**

4.1 **General Overview**

4.1.1 Many senior managers in the council have contributed in determining the effectiveness of the council's systems and processes and the Annual Governance Statement has been discussed and challenged by Strategic Executive Board. Assurance on the effectiveness of systems and processes comes from many sources such as Internal Audit, Strategic Executive Board, Members through full Council, Cabinet, Committees particularly Audit and Standards Committee and Scrutiny Committees, the work of council support services, risk and performance management systems, quality systems, corporate groups and individual Managers. The following sections detail some important elements of the council's governance framework, how effectiveness is determined for these areas and what key outcomes have been delivered.

4.2 **Internal Audit and Fraud**

- 4.2.1 Audit Services is the only internal source of independent assurance on the adequacy and effectiveness of governance, risk management and control processes within the council.
- 4.2.2 The Head of Audit Services reports to the Director Finance and Legal (Section 151 Officer) who is a permanent member of Strategic Executive Board. He oversees the performance of the service on a day to day basis.
- 4.2.3 The work of internal audit is monitored by Audit and Standards Committee, who approve the annual audit plan and receive regular monitoring reports. Audit Services completed 93% of the 2021/22 audit plan.
- 4.2.4 Audit Services are required to comply with the Public Sector Internal Audit Standards (PSIAS) and one of its requirements is for an external quality assessment against the standards to be undertaken every five years. Audit Services had an external assessment in March 2020 and were found to meet the standards and also compared favourably with other public and private sector providers.
- 4.2.5 The Head of Audit Services is required by Public Sector Internal Audit Standards to deliver an annual report which contains an internal audit opinion. The internal audit opinion must conclude on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- 4.2.6 This opinion is based upon the work carried out by Audit Services during 2021/22 and any significant external assurance received by the council. It must be acknowledged, however, that it is not possible to review all aspects of governance, risk management and control within a single year.

In giving the opinion it should be noted that assurance can never be absolute and the most that internal audit can provide is reasonable assurance that there are no major weaknesses in the council's governance, risk management and control processes. In assessing the level of assurance, the following have been taken into account:

- All internal audit reviews undertaken including consultancy for the year ending 31st March 2022,
- Follow up reviews undertaken on High priority actions and audits that have been given a Minimal assurance rating,
- Continuing work being undertaken by Management to respond to actions arising from internal audit work,
- Whether any Critical or High priority actions have not been accepted by Management,
- Any other assurance opinion given by other providers that Audit Services have relied upon.

4.2.7 The Head of Audit Services opinion is as follows:

"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion as to the adequacy and effectiveness of Dudley MBC's overall internal control environment and there has been no limitations to the scope of our activity or resource constraints imposed on Audit Services which have impacted on our ability to meet the full internal audit needs of the council. Taking into account what is detailed in paragraph 4.2.6, for the 12 months ended 31st March 2022, I am able to provide 'Reasonable' assurance on Dudley MBC's framework of governance, risk management and internal control, which is required in order to achieve the council's priorities. The main concerns which I am required to bring to your attention are:

- Ofsted and the Care Quality Commission revisited the area of Dudley in January/February 2022 to decide whether sufficient progress had been made in addressing each of the areas of significant weakness detailed in their inspection report letter published on the 16 July 2019. Although sufficient progress has been made in addressing eight significant weaknesses, there are still six areas where sufficient progress has not been made. Further information is provided in Section 6."

4.2.8 The council has a dedicated Corporate Fraud Manager, who is a qualified fraud investigator with many years' experience in this area. He is responsible for delivering against the Fraud Action Plan (which is made up of four elements: Prevent, Detect, Investigate and Resolve) and maintaining the fraud risk register. The council also maintains a Housing Fraud Team.

4.2.9 Regular reports on fraud activity are presented to Audit and Standards Committee.

4.2.10 The Annual Fraud Report details that during the period 1st January 2021 to 31st December 2021 the Corporate Fraud Manager completed 25 investigations of which 11 fraud/other inappropriate behaviour was established. There were also 21 cases in progress as at the 31st December 2021.

4.2.11 During the period 1st January 2021 to 31st December 2021 the Housing Fraud Team completed investigations into 567 referrals of which 58 were found to involve fraud. The notional saving to the council was approximately £443,760.

4.3 **Risk Management**

4.3.1 A new Risk Management Framework was approved by Audit and Standards Committee in April 2021. The new Framework brought in some significant changes including the identification of Gross and Target risks and a defined risk appetite level. However, it is acknowledged that due to the significance of the changes and the resources available to support the process, the Risk Management Framework will take time to embed.

4.3.2 Following approval of the Framework, briefings were given to Directorate Management Teams and risk identification workshops have been held.

4.3.3 The risk report that was presented to Strategic Executive Board in March 2022, had risks defined and rated in accordance with the Framework. This showed the following risk areas were rated as 'Extreme' at the net/residual level, which is above the council's risk appetite:

- Equality, Diversity and Inclusion,
- Digital Platform Programme,
- Children's Social Care,
- Recruitment and Retention.

For each of these risks further controls have been identified and once effectively implemented the risk rating will fall below risk appetite. Further information on each of these areas is included in Section 6.

4.3.4 Three risk management reports were presented to Strategic Executive Board and Audit and Standards Committee during 2021/22. For each of these meetings, Audit and Standards Committee selected a risk for discussion. This involved the officer responsible for the risk delivering a presentation on how the risk is being managed, which was then open to challenge by Members. During 2021/22 risks relating to Welfare Reform, Vulnerable Children and Health and Safety were subject to Member challenge

4.4 **Financial Management**

4.4.1 The Director of Finance and Legal is the officer designated under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the council's financial affairs. A review against CIPFA's statement on the Role of the Chief Financial Officer has been undertaken, which found all key requirements are being met.

4.4.2 The Council's Scrutiny Committees have a role in scrutinising the council's Medium Term Financial Strategy. The Capital Monitoring Programme is reported to all Cabinet meetings and the revenue position was reported to Cabinet four times during the year.

4.4.3 Directors, Deputy Chief Executive and Chief Executive have delegated authority to manage their budgets. They are each supported in this by a dedicated Finance Manager and a team of qualified staff who work closely to understand the business, but are professionally accountable to the Section 151 Officer. The council showed a favourable variance of £7.2m against the original budget for 2021/22 mainly due to the costs of managing the Covid pandemic being lower than the contingency set for that purpose.

4.5 Performance Management

4.5.1 The Council Plan (on a page) for 2022-25 was approved by Cabinet in February 2022 and sets out the strategic direction for the council for the next three years. The plan has 4 new priority areas:

- The borough of opportunity
- A safe and healthy borough
- The borough of enterprise and ambition
- The destination of choice

4.5.2 The priorities have a clearer focus on our regeneration plans, our work to become a destination of choice for tourism, housing and educational needs and a place where communities can lead stronger, safer and healthier lives. The outcomes under each priority give our commitment that the council will constantly strive to improve the way we deliver services to meet the needs of local people.

4.5.3 The Council Plan on a page will be supported by a Strategic Council Plan document that provides more information on Dudley as a Local Authority and sets out our ambitions and priorities, the golden thread between the Borough Vision and our Council Plan and provides an overview of the governance processes in place.

Borough Vision 2030

4.5.4 At the heart of the Council Plan on a page is our Borough Vision – Forging a Future for All, which is built around seven aspirations and was developed with key partners and stakeholders. The aspirations for the Dudley Borough Vision by 2030 are:

- An affordable and attractive place to live with a green network of high-quality parks, waterways and nature reserves that are valued by local people and visitors
- A place where everybody has the education and skills they need, and where outstanding local schools, colleges, and universities secure excellent results for their learners
- Renowned as home to a host of innovative and prosperous businesses, operating in high quality locations with space to grow, sustainable energy supplies and investing in their workforce
- A place of healthy, resilient, safe communities where people have high aspirations and the ability to shape their own future
- Full of vibrant towns and local centres offering a new mix of leisure, faith, cultural, residential, and shopping uses

- Better connected with high quality and affordable transport, combining road, Metro, rail, and new cycling and walking infrastructure
- A place to visit and enjoy that drives opportunity, contributing to its ambitious future while celebrating its Pioneering past

4.5.5 A Forging a Future Executive is established, made up of key agencies and stakeholders to deliver the aspirations in the Dudley Borough Vision 2030. The Forging a Future Executive responded to the pandemic by transitioning to become Dudley's Covid-19 Strategic Partnership from April 2020.

4.5.6 Since 2021 the Executive has been working to review the aspirations in the Vision, running a series of workshop with strategic partners and stakeholder, and are now working on a performance framework to build greater synergies between partners priorities within their organisational plans and the collectively agreed aspirations of the Vision.

4.5.7 The Governance Structure for the Vision directly links into the workstreams of the council. Through the establishment of four Boards, whose role is to work jointly with partners to remove barriers, challenge and risk manage, the Executive provides effective leadership. Each Board is accountable for an associated area of expertise:

- Dudley Health & Wellbeing Board
- Dudley Safe & Sound Partnership
- Dudley Employment and Skills Board
- Dudley Economic Growth Board

Directorate Planning

4.5.8 Each directorate has a Directorate Plan that aligns to the priority outcomes that the Council is striving to achieve and includes an assessment of how the service will contribute towards delivering these priorities along with a range of key performance indicators to enable the Council to keep track of progress.

Future Council Programme

4.5.9 The Future Council programme is our internal change programme that will help the organisation to continually improve and develop. There are 4 themes in this programme with each being a key enabler to supporting service areas and officers and include:

- People, delivered through the People Strategy
- Place, delivered through the Corporate Estates Strategy
- Digital, delivered through the Digital Road Map
- Process, delivered through a number of policies, processes and procedures

4.5.10 The programme reflects the need to build a council that is financially sustainable and fit for the future. This will be achieved through developing our people, improving our service delivery through digital innovation and investing in our facilities to ensure they are fit for the future.

Performance Monitoring

- 4.5.11 Performance management and monitoring is key in ensuring the priorities in the Council and Directorate plans are delivered. Quarterly Corporate Performance Reports are developed and reported and reviewed by Strategic Executive Board, Informal Cabinet, the Deputy and Shadow Deputy Leader and Future Council Scrutiny Committee.
- 4.5.12 Progress against Directorate performance score cards are monitored at monthly directorate management team meetings and circulated to directorate scrutiny committees for information and consideration.
- 4.5.13 A Performance Management Framework has been developed that ensures a consistent approach to the way service performance and quality is managed, monitored, reviewed and reported at all levels in the Council.

4.6 **Asset Management**

- 4.6.1 The council's Estate Strategy 2017 – 2022 sets out key objectives for its land and property estate. Proposed actions that materialise in the implementation of the Strategy are reflected in an action plan which is monitored by Corporate Landlord Services at regular estates meetings. For those proposed actions to progress into capital projects, their business cases must obtain approval at the council's Commercial Opportunities Group, Strategic Executive Board and Cabinet.
- 4.6.2 The Corporate Asset Management Team (Corporate Landlord Services) have worked hard to keep buildings open and Covid-19 secure during this year.
- 4.6.3 The Covid-19 pandemic has changed the view on how council property is to be used in future, given the large number of staff who have successfully worked from home during the last 12 months or more. The Estate Strategy is being reviewed and will take account of the learning and changes brought about by the pandemic by ensuring a leaner estate is equipped to facilitate new workstyles. Various work is in progress to accommodate the Future Council.

4.7 **People Management**

- 4.7.1 A Corporate Workforce Analytics Report is presented to the Strategic Executive Board on a quarterly basis. This report provides a breakdown of the workforce including headcount, full time equivalents, proportion of full and part time workers and number of employees as identified by protected characteristics. The report also provides sickness absence rates, the rate of completion for Annual Review meetings with employees and other key workforce indicators that give individual directorates opportunity to identify trends and areas of improvement.

These reports are also provided to Directors on a monthly basis for consideration and discussion at directorate management team meetings. Human Resources Business Partners also discuss any key workforce issues at DMT's in Directorates offering advice to improve people processes and practices throughout the various service areas.

- 4.7.2 Sickness levels are high for 2021-22 with the overall FTE days lost having increased by 57% when compared to last year. Short term sickness has seen the biggest increase with days lost having more than doubled (from 6750 days lost to 16289) – this trend is Council wide.
- Days lost per FTE is 13.94 – above the corporate target of 10.5 and is an increase compared to 9.60 in 2020-21.
 - As previously reported, sickness was particularly low last year due to the initial covid lockdown, the closure of many services and changes to working arrangements. This compares with trends nationally.
 - Sickness rates have however increased when compared to pre covid 2019-20 (12.19 Days lost per FTE) albeit part of this can be attributed to Covid sickness absence. If sickness related to Covid was excluded from the current figures, sickness rates would be at a lower level than 2019-20 and 2018-19.
- 4.7.3 The current Turnover rate has seen an increase from 6.70% last year in 2021 to 9.30% this year (2021/2022) – 349 new starters and 456 leavers. Childrens Services have seen the highest turnover with 104 leavers in 2021-22 (11.4%). completed last year
- 4.7.4 A key aspect of the attendance management procedures is the completion of return to work interviews. The latest data available indicates that 94% of return to work interviews are being completed, which is an improvement on the 91% last year
- 4.7.5 The Council need to take note that although Return to work interviews and MARS are being completed, the data is showing that there is still a high turnover rate across the Council of employees leaving. This therefore indicates that further work needs to be done on engaging and retaining employees.
- 4.7.6 The council has performed well in creating new apprenticeship positions, with a total of 545 apprenticeships created since 2018 During the past year 6 new apprenticeship opportunities have been ringfenced for care leavers who undertake a level 2 customer service qualification with support from Dudley college. The work undertaken by the council in this area was once again recognised with Dudley Council named as one of the top 10 employers in the West Midlands for Apprenticeships

4.7.7 The People Strategy has been completed and is due to go to Cabinet for approval in June 2022, the strategy has five key priorities and key areas for delivery have been identified for each of these. The five priorities being:

- Attract, Recognise and Retain Talent,
- Develop A High Performing Workforce,
- Deliver inspirational and effective leadership,
- Build a diverse, engaged, inclusive and healthy workforce,
- Foster a thriving learning culture which embraces change.

4.7.8 Workforce planning activity during the past year has included a focus on the lessons learned from the covid pandemic around flexible working. This has been used to review and update the Council's people policies and to introduce 4 new workstyles across the organisation. With each employee assigned a workstyle according to the requirements of their role and the service they work in, with effect from 1st April 2022. The introduction of these workstyles has also been supported with new and updated people policies.

4.7.9 Under the direction of the People Strategy, the People Policies need review and development. The changes to these policies particularly in relation to Grievance, Disciplinary, Redundancy and the Absence Management all need to focus on language and tone, allowing managers to take more responsibility, early intervention and prevention of issues, de-escalation of complaints and underpinning the fundamental employment principals as set out in the Acas Code of Conduct. The Agile working policy was also launched in the Organisation on the 1st April 2022. This policy has allowed greater flexibility across the workforce which focuses on output of work from employees, objective setting and increasing performance in roles. The policy steers managers to allow work to take place around individuals personal needs, whilst meeting their contractual obligations and fulfilling the service needs. The change to this policy enables Dudley to become a more modern dynamic employer, who will hopefully attract more candidates

4.8 **Information Governance**

4.8.1 The Information Governance Board supported by the Corporate Information Governance Team oversees the operation of information governance processes and compliance with the UK General Data Protection Regulations and Data Protection Act 2018.

4.8.2 During the year the Corporate Information Governance Team have assisted in the drafting, the development and review of 25 Data/Information Sharing Agreements with partners, undertaken and assisted with 9 Data Protection Impact Assessments and 12 Cloud System Risk Assessments, published 8 new, and reviewed 12, Privacy Notices, received 1137 Freedom of Information requests, 697 Subject Access Requests and 117 Environmental Information Regulation requests. There were 139 suspected data breaches assessed for severity with 3 being reported to the Information Commissioner with "no further action outcomes".

4.8.3 The council has met to a "satisfactory" standard the requirements of the NHS Digital Data Security and Protection Toolkit which is needed to be completed by public bodies that operate an Adult Social Care or Health function on an annual basis.

During 2021/2022 the council worked with the Cabinet Office in line with accepted PSN compliance (assurance) requirements and standards. The council is fully compliant with the Payment Card Industry Data Security Standards (PCI-DSS) with existing certifications valid until 24th August 2022.

- 4.8.4 Work continues to be undertaken to ensure that the council is in compliance with UK General Data Protection Regulations whilst processing personal and special category data. This includes mandatory training and annual refresher training for all staff, and targeted data protection assurance audits on specific council service areas utilising the Information Commissioner's (ICO) accountability framework. Routine benchmarking with members of the West Midlands Information Governance Forum, including neighbouring Local Authorities, is undertaken ensuring consistency and quality of approach.
- 4.8.5 A new CCTV control room has been established overseeing cameras in a number of areas in the Borough – The control room and CCTV operation complies with both Information Governance and Biometric & Surveillance Commissioner standards. The operation of the CCTV control room and CCTV Camera Strategy is overseen by the CCTV Strategic Board. The programme of work to increase CCTVs coverage in the borough is underway. Work is also underway to improve partnership working arrangements between organisation with the development of a formal Information Sharing Agreement with West Midlands Police (WMP), and working with WMP, consideration of guidance prepared by the National Police Chiefs' Council (NPCC), The Public CCTV Managers Association (PCMA), the Biometrics & Surveillance Camera Commissioner (BSCC) and the Local Government Association (LGA).
- 4.8.6 The council has completed the PSN (Public Sector Network) related work in order to get PSN accreditation for the year 2022-23
- 4.8.7 As part of ongoing activities to ensure the council's cyber security posture is routinely reviewed, the council has recently been awarded a grant from the Department for Levelling Up, Housing and Communities, and agreed a Cyber Treatment Plan with them to improve a number of the council's Cyber Security features.

4.9 ICT Management

- 4.9.1 In 2021-22 the Council set up a governance structure for Digital and Technology. The governance arrangements include a Digital Board that reports through SEB to Cabinet. The primary purpose of the Board is to advise on and monitor the progress the Council is making on its digital transformation journey and delivery of the "Future Digital" ambitions in the 2022-25 Dudley Council Plan. SEB agreed the terms of reference in October 2021 and the Board has met regularly since then. The governance arrangements also include a Councillor Digital Forum and a Digital and Technology Working Group. The former has met regularly since October 2021 whilst the first meeting for the latter is in May 2022. We needed to complete the restructure of Digital and Technology services before we could start the Digital and Technology Working Group meetings.

- 4.9.2 The restructure of Digital and Technology services completed in May 2022. It will enable a greater focus on strategic projects and greater accountability for the delivery of the digital and technology roadmap. The restructure included the set-up of a team dedicated to the development and management of the digital front door through which we manage our online engagement with residents and the content on the web site.
- 4.9.3 In September 2021 we agreed a roadmap of all digital and technology projects with directorates and SEB agreed the prioritisation criteria. The roadmap is a living document which the team worked against in 2021-22. With the governance in place and the restructure complete, we will use the roadmap to proactively manage projects and ascertain that workload at any one time can be achieved with the resources available.

4.10 Values and Behaviours/Codes of Conduct

- 4.10.1 To support the council's vision, the following values have been determined to guide the standard of behaviour expected from Members and Officers:
- Accountability,
 - Determination,
 - Empowerment and Respect,
 - Excellence,
 - Simplicity,
 - Working Together.
- 4.10.2 The values and behaviours remain a strong guiding framework for everything that the council does and strives to do. The values continue to underpin Leadership Forum and drives how engagement takes place with staff. The Values have been embedded into the council's mandatory induction process and induction materials and the Values are embedded into the new People Strategy and other strategic work such as Future Council.
- 4.10.3 The Code of Conduct for Employees is publicised widely and is promoted through Corporate Induction, as part of the mandatory training and policy acceptance. Compliance with the Code is an individual, line manager and corporate accountability. Each employee is required to formally accept the Code. Where there are breaches of the Code these are dealt with by advice, performance improvement or development or ultimately for more severe breaches use of the council's disciplinary policy.
- 4.10.4 Leadership accountabilities which set out the standards of behaviour expected of employees in leadership roles and strengthen accountability have been identified and promoted at Leadership Forum. Leadership accountabilities have been embedded into council induction and within new job descriptions. Work is ongoing to embed leadership accountabilities into the new manager induction, the review of council job descriptions and competencies framework. In addition a new leadership development programme will be launched in 2022 and improvements will also be introduced to the My annual review process .

4.11 Communication

- 4.11.1 The council's main way of communicating with staff is through the "Connect" intranet site. Internal audit reports and external reviews have identified issues with "Connect" particularly the locating of information and accuracy of content. "Connect" is being reviewed: a Managers' Hub (to replace the initiatives tab), Employee Hub (to replace the staff tab) and Policy Hub (to replace the documents tab) will help to ensure information can be easily located. This will be supplemented with regular checking to ensure information is up to date.
- 4.11.2 Besides "Connect", the Council has a number of other ways of communicating with its employees:
- "Rewind" which is an e-bulletin catch-up of all key news and information, which is sent out at the end of each week,
 - "Managing Matters", aimed at line managers across the authority, has been launched with the objective of ensuring all managers are informed and up to speed on key corporate messaging in order to support them in their role as managers in communicating with their workforce,
 - A new electronic "e-zine" was launched in May 2021 to provide fresh content to engage staff and provide a brief summary of core messaging.
 - A Chief Executive's "vlog" has also been launched to provide video content updates and posted through "Connect".
- 4.11.3 In addition to these online methods, the authority also provides key information for managers of frontline staff to print and share, whilst face to face briefings are also facilitated through Leadership Forum (for managers) and Express Briefings (for all staff).
- 4.11.4 In terms of communicating with Borough residents:
- The council publishes a quarterly resident magazine which is distributed to 125,000 properties (over 90% of Borough households) with latest news and information from the authority. This magazine is also published online and supports the continued growth of digital and social channels,
 - Social media channels such as Facebook, Twitter, LinkedIn, Instagram, Flickr and YouTube are well established with thousands of interactions with Borough residents every day. Facebook reaches around 180,000 accounts a month while more than 118,000 people see our tweets in an average month.
 - The Granicus e-bulletin continues to grow rapidly as a vital tool in sharing news information on council services to Borough residents. Recipients can tailor their experience to receive information on specific subjects. Open rates are well above the national industry average.
 - In addition, the Leader 'live' sessions proved effective in giving Borough residents access to key decision makers including the leader of the council and chief of police as well as representatives from higher education and health. Thousands of people "tune in" to the live broadcasts via Facebook and on Black Country Radio.
 - Analytical reports are available on Connect.

4.12 Customer Feedback

4.12.1 The council has a policy and procedure for formal complaints and compliments. All cases are logged on a central system. Every effort is made to informally resolve complaints as early as possible. Where this cannot be achieved, formal complaints are acknowledged, investigated and responded to by appropriate complaints teams and specialist officers within set timeframes. There are three Key Performance Indicators relating to formal complaints and compliments and associated data is collated and reported upon via Strategic Executive Board quarterly. Focus is driven around root cause analysis of complaints and taking action to prevent the same issues recurring through learning outcomes gathered within each service area. Officers and Members will receive data that helps them to assess performance and understand input.

4.12.2 In 2021, the council launched a new Resident Action Group, comprising senior complaints officers from key service areas, to:

- Deliver an effective and efficient complaint and failure management strategy and process.
- Resolve complaints by fixing the underlying issues: identify the failure, clarify the root cause and find a long-term solution.
- Deliver a resident experience that meets the needs of the resident by improving the ability for residents to feedback and acting on the feedback.

The Resident Action Group wants to make great strides in leveraging insight from complaints, making sustainable changes, delivering a process for complaints handling that resolves issues for residents in a timely, satisfactory and empathetic way and transforms the relationship the council has with residents to make them feel appreciated, valued and listened to.

Extensive communication is taking place to include key stakeholders in relevant initiatives and developments the group are delivering.

4.12.3 During 2021/22 the council received 143 statutory complaints of which 10% were upheld. The council received 1902 corporate complaints of which 37% were upheld or partially upheld. The council also received 979 compliments during 2021/22.

4.12.4 The Local Government and Social Care Ombudsman's annual review letter for 2021 notes that to allow authorities to respond to the Covid-19 pandemic, they did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints received and decided in the 20-21 year. 24 DMBC Ombudsman cases were subject to a detailed investigation between 1 April 2020 and 31 March 2021. The outcome of these detailed investigations was that 17 were upheld and 7 were not upheld. The number of upheld complaints decided by the Ombudsman for Dudley represented 71% of the detailed investigations undertaken. Similar Local Authorities had an average of 72% of their detailed investigations upheld. In 100% of cases the Ombudsman was satisfied the authority had successfully implemented their recommendations (compared to an average of 100% in similar authorities).

In 12% of upheld cases the Ombudsman found DMBC had provided a satisfactory remedy before the complaint reached them (compared to an average of 11% in similar authorities).

4.13 Equalities Framework

4.13.1 The Council's Equality Diversity and Inclusion (EDI) Strategy (2022-25) approved by Cabinet in March 2022, sets out the council's EDI commitments and how we intend to achieve our public equality duty as well as comply with the Equality Act 2010. It focuses on "Putting Equality at the heart of everything we do" and recognises that to achieve this we need to advance equality and inclusiveness in all aspects of the Council's work and our responsibilities in the following capacities as:

- **A service provider** - providing appropriate services that meet the differing needs of our local people regardless of their protected characteristic.
- **The Boroughs largest employer** - ensuring fair recruitment, having a diverse and inclusive workforce, and providing a working environment that is safe, accessible, and free from bullying, harassment, and discrimination.
- **Community leaders** - through our elected members, working with communities and partners in the statutory, voluntary, and private sectors to improve quality of life for Dudley Metropolitan Borough residents

4.13.2 There are 4 priority themes contained within the EDI strategy, each with identified actions and details of how we intend to achieve these, these themes are as follows;

- Understanding our diverse customers and residents
- Demonstrate Inclusive leadership and accountability for delivering EDI outcomes across the organisation.
- Ensuring the integration of equality objectives into the commissioning, procuring and delivery of services.
- An engaged workforce that reflects the diverse community we serve

4.13.3 The commitments within the EDI strategy will be realised through an annual delivery plan overseen by the Corporate Equalities board, which is chaired by the Chief Executive. This will also be subject to scrutiny through the Future Council Scrutiny committee and the Local Government Association who have supported the development of the EDI strategy, will continue to support the scrutiny of our delivery in this area. Arrangements are also in place for an annual review of EDI to be reported to Cabinet and a report on progress in implementing the delivery plan, including employment monitoring data for protected characteristics.

4.13.4 A small team comprising an EDI manager and an EDI support officer has been established to support the delivery of the corporate EDI work. This team have undertaken a review of Equality Data to ensure that the council is meeting its statutory requirements and has the information to support its future modernisation. Employment data is also benchmarked against other local authorities e.g. the gender pay gap data - which has resulted in some actions being identified to help close the council's gender pay gap.

4.13.5 Following an independent review into race inequality within the Council the Strategic Executive Board (SEB) accepted its findings and agreed an action plan to implement the recommendations from the review. This will be overseen by the Corporate Equalities Board. In addition, clear expectations have been set and communicated to leaders across the organisation for them to:

- Champion and embrace diversity and be proactive in their approach to advancing racial equality and actively demonstrating it in practice
- Listen to and communicate openly with staff as this level of communication is crucial and important to our workforce from diverse backgrounds and with diverse needs
- Act as role models who champion change
- Actively promote Equality Diversity and inclusion
- Bespoke learning and Development will be provided to strengthen performance this area and the new leadership development programme will also further develop our leadership competency in racial equality and wider EDI requirements.

4.13.6 A new Dignity at Work policy has been introduced within the council to ensure all employees are clear about acceptable behaviour in and outside of the workplace. It also provides all individuals with the opportunity to raise issues where dignity and respect have not been demonstrated. The policy sets out expected standards of behaviour for employees, in the way they treat their colleagues and those they come into contact with. The policy has a vital role in ensuring we create the conditions where all employees are treated with respect and dignity and are able to be themselves, feel they are valued and included.

4.13.7 The council has also moved to an anonymised recruitment model to reduce any unconscious bias during the recruitment and selection process, ensuring the shortlisting stage focuses on the skill set of a candidate alone. All candidates who apply for a post within the Council is identified via a unique candidate reference number, which will be used until they reach either the invitation to interview stage or are unsuccessful at the shortlisting stage.

4.14 Modern Slavery

4.14.1 Dudley MBC's Modern Slavery and Human Trafficking Statement has been updated and signed by the Leader of the Council, Leader of the Labour Group and the Chief Executive and is prominently displayed on the council's website <https://www.dudley.gov.uk/modern-slavery/> .

4.14.2 Concerns in respect of modern slavery should result in a referral into the relevant MASH (Multi-Agency Safeguarding Hub). Internally significant work has taken place, and continues, in respect of internal pathways for potential victims of various types of exploitation in both Children's and Adult's services.

4.14.3 Through the work of Dudley Safeguarding People Partnership both Child and Adult Exploitation Strategies have been developed and launched.

- 4.14.4 A robust communications plan is in place for the Safe and Sound Partnership – (Dudley’s Community Safety Partnership - CSP) with messaging in respect of Modern Slavery going out throughout the year, this includes additional messages at key points in the year, for example National Anti-Slavery Day. This ensures that members of the community are aware of these issues and where to report concerns / signpost victims, thus offering reassurance to the wider community and offering support to those who may need it. Information can be found on the Safe and Sound CSP website where we have a Help Hub for all services and public to access. <https://www.dudleysafeandsound.org/>
- 4.14.5 The Modern Slavery and Educational Resources pages on the Safe and Sound Partnership website are updated to ensure information, links (including to relevant e’learning) and resources are up to date and relevant.
- 4.14.6 While the face-to-face modern slavery training was put on hold due to the pandemic, work was undertaken to transfer existing courses into e’learning packages. Dudley Safeguarding People Partnership are hosting two multiagency eLearning courses in respect of Modern Slavery and Human Trafficking (MSHT). Dates for ‘virtual’ and face to face courses are currently being scheduled. This training will ensure that professionals across the Borough are aware of the different forms of exploitation and where to report concerns / signpost and support victims.
- 4.14.7 National Referral Mechanism training for relevant staff has also been progressed and promoted as appropriate and is available to access via the safe and sound website.
- 4.14.8 Actions in respect of Modern Slavery have been included in an overarching Action Plan for the Safe and Sound (Dudley’s Community Safety Partnership) Community Cohesion Strategic Group and is monitored by the Group.
- 4.14.9 Modern Slavery is a standing agenda item at the Rogue Landlords Operational group and where appropriate multi-agency meetings are coordinated to ensure a robust response to any concerns or cases
- 4.14.10 The number of people referred into the National Referral Mechanism by Dudley MBC as a first responder organisation was 50 for the year ending 31st December 2021.

4.15 Environmental

- 4.15.1 Full Council at its meeting of the 23rd July 2020 declared a Climate Emergency. It was agreed at this meeting that a cross-party Climate Change Working Group would be established to lead on the development and implementation of a Carbon Reduction Plan for Dudley. This Group would decide what activities are in scope which will then inform the setting of a realistic carbon reduction target.
- 4.15.2 Ongoing governance arrangements include a Steering Group that will provide leadership for the programme and three thematic groups: Buildings and Energy, Transport and Environment. The groups have been tasked with looking at what is possible and to formulate action plans around identified topics, together with carbon reduction and offsetting solutions.

4.15.3 The programme consists of two phases: Phase1 the council will look at itself and determine what direct action it can take and Phase 2 the work will be expanded to encompass our communities and other key stakeholders.

4.15.4 The council has a target of reducing carbon emissions by 90% by 2030 and it has been estimated to achieve this target 21,815 tonnes of carbon will need to be removed. The final 10% to achieve carbon neutrality, which will be the most challenging, has a target date of 2041.

4.16 Scrutiny Committees

4.16.1 Scrutiny Committees approve and monitor their Annual Scrutiny Programmes. The Chairs and Vice-Chairs of all Scrutiny Committees meet together to co-ordinate the work of the various Scrutiny Committees. Scrutiny Committees have considerable flexibility to amend the Annual Scrutiny Programme to reflect developments during the year.

4.16.2 Scrutiny Committees report annually to the full Council with details of Scrutiny activities and the annual work programme. Minutes of Scrutiny Committees are submitted to full Council to increase transparency. The Overview and Scrutiny Annual Report for 2021/22 was reported to full Council in April 2022 and made available on the council's website. This set out the key issues considered and the outcomes of scrutiny work during the municipal year.

4.16.3 The Council's Overview and Scrutiny arrangements are kept under ongoing review as part of the annual review of the council's constitution. A Scrutiny Committee development session was undertaken with the Local Government Association in March, 2022 and the outcomes have been reported to the Strategic Executive Board ahead of the 2022/23 municipal year.

[Scrutiny Annual Report](#)

4.17 Audit and Standards Committee

4.17.1 Audit and Standards Committee are responsible for approving the annual review of the Code of Corporate Governance and approving the Annual Governance Statement prior to its signing by the Chief Executive and Leader of the council.

4.17.2 The Committee's terms of reference has been updated to reflect good practice issued by CIPFA and there are regular assessments undertaken and discussed with the Committee to ensure that it is working effectively.

4.17.3 New committee members are requested to complete a skills assessment to identify any training needs.

4.17.4 Audit and Standards Committee produced an annual report for the municipal year detailing the work that they have completed and the outcomes achieved; this is to be presented to full Council in July 2022.

[Audit and Standards Committee Annual Report 2021-22](#)

5. Update on previous issues raised

5.1 Children's Services

- 5.1.1 Senior leadership arrangements in Children's Services were revised in autumn 2020 with the establishment of two Service Director posts – one for social care and one for Education, Early Help and SEND. Permanent appointments to these roles started in October 2020. A permanent Director of Children's Services was appointed and took up post in February 2021. This senior permanent team provides clarity and certainty to the workforce in responding to the improvement challenges.
- 5.1.2 Children's Social Care Services remain in Department of Education (DfE) support and supervision where they have been since the Ofsted inspection in October 2018. In November 2020 Ofsted reported on a further focus visit that "There are serious weaknesses in many service areas in Dudley. This is because of long-standing instability in the senior leadership team that has led to delays in addressing strategic and practice deficits." The improvement work is overseen by a DfE appointed improvement advisor who chairs the Improvement Board that meets six times a year. In addition the DfE carry out formal reviews of improvement work on a six monthly basis.
- 5.1.3 The DfE formally reviewed the Authority's progress in January 2021, May 2021 and December 2021. At these meetings, progress was noted and additional targets were set for achievement. The May review meeting confirmed that progress was sufficient to ensure that the DfE did not need to issue DMBC with a statutory Improvement Notice.
- 5.1.4 The review meeting in December 2021 noted positive progress and approved the revised Improvement Plan for January 2022 to end of March 2023, recognising that significant challenges remain. The five high level priorities in the plan are:

Area	Description
Restorative Model of Practice	We will implement a restorative approach, so that our assessments and interventions with children take account of a family's strengths and their vulnerabilities, whilst creating opportunities for families to understand and take ownership of safe decision making and planning for children
Whole system	We offer the effective support to children and families in the least intrusive way. Where children's needs change, they and their family can easily access the support they need from the right part of the system
Learning organisation	We will develop a culture of continued learning, reflection and innovation at all levels of the service. Our continuous improvement will be informed by the voices of children, parents and carers. We will seek to learn from others from peer review,

	inspection and sector led improvement and draw upon research and evidence to inform practice. We will encourage learning from QA, feedback, complaints, serious incident, best practice and seek to incorporate this in our practice
Partnership	All children and families benefit from multi-agency support closer to home from early help to children in need/ child protection to children in care and care leavers. Partners will engage with families in an open, honest and respectful way as soon as they become aware that a child may need additional support, and seek to provide information, advice and signpost to other sources of help. We are committed to the principles of inclusion and trauma- informed practice with children and young people – meeting needs at the least intrusive effective level and seeking to keep children at home with their family, in school and accessing the normal range of community services. We will continue to develop and improve access to effective mental health support across the children’s services system. We will continue to build strong and effective partnership relationships at both strategic and operation level, so that we make best of public sector resources to have greatest impact in meeting the needs of Dudley's children to effectively work with children and families
Workforce	We recognise that our workforce is the foundation to our success in making a positive difference and therefore, we are putting the conditions in place where professional expertise can flourish. We seek to be the employer of choice for children’s social care where Dudley is a great place to practice. We are developing a stable workforce that is sufficient, suitably qualified and accredited to deliver high quality services to children and their families. Managers and practitioners will be skilled, able to learn, experienced, effectively trained and able to deliver high quality restorative practice which improves the lives of vulnerable children, young people and families.

5.1.5 The DfE intend to keep DMBC in support and supervision until the outcome of the Ofsted Inspection of Local Authority Children’s Services (ILACS). The inspection was conducted between 31st October and 11th November 2022. The outcome is awaited.

5.2 Special Educational Needs and Disabilities (SEND)

5.2.1 Progress continued with the implementation of the detailed Improvement Plan in relation to the Written Statement of Action (WSOA). Ofsted and CQC revisited the Local Area from 31/1 to 3/2/2022 to assess the level of progress against the 14 areas of significant weakness identified at the inspection in 2019.

5.2.2 The inspection identified that sufficient progress had been made in 8 of the 14 areas which were:

- Area 1: Improvement strategies are not embedded, and they have not had a marked impact on improving outcomes for children and young people with SEND.
- Area 3: A strategic approach to assessment and provision mapping in Dudley is lacking. There is poor coordination of assessment information between agencies, resulting in fragmented information systems.
- Area 5: The designated medical officer (DMO) has insufficient capacity to promote SEND agenda across health providers.
- Area 6: Co-production with parents is weak. Co-production at a wider strategic level is underdeveloped.
- Area 8: There is a lack of understanding about inclusion in Dudley. The local area needs to change the culture and develop stakeholder confidence in the system.
- Area 9: The published local offer is poor. It is underused and difficult to navigate.
- Area 12: Pupils with SEND have higher absence and exclusion rates than other pupils.
- Area 14: Too few young people with SEND progress into employment.

The inspectors were positive about the progress made in these areas of previous concern.

5.2.3 The inspectors found that in 6 areas there had not been sufficient progress in a way that was sufficiently embedded although they did note progress in recent months:

- Area 2: The needs of children and young people with SEND have not been accurately identified or moderated over time.
- Area 4: Joint commissioning is underdeveloped. It is not always informed by accurate analysis of performance data, which is required to understand areas of need and gaps in current service provision.
- Area 7: There is a great deal of parental dissatisfaction. The passion and commitment of the various parent groups have not been harnessed. Many parents and carers feel disengaged from the system.
- Area 10: EHC plans are often of poor quality. They are not outcome focused and often lack information about health and social care. Completed EHC plans are often not shared with early years settings.
- Area 11: Pupils with SEND make slower progress than other pupils.
- Area 13: There is a lack of local provision post-19 for young people with the most complex needs.

- 5.2.4 DMBC and the CCG developed an Accelerated Progress Plan to set out the actions to be taken to improve outcomes in the 6 areas identified. This was submitted to the DfE by the deadline of 29/4/2022 and has been approved. A formal review is scheduled for the 29th November 2022.
- 5.2.5 The SEND oversight group continues to meet to oversee progress and includes DfE and NHS England representation.
- 5.2.6 Funding of children and young people with High Needs is provided by the Dedicated Schools Grant (DSG) which is a ring fenced revenue grant allocated to local authorities. For 2021/22 the provisional High Needs block allocation was £39.9m and there was a deficit of £17.2m. This includes a brought forward deficit from 2020/21 of £11.151m. A detailed recovery plan includes a number of efficiencies that coincide with the SEND Improvement Programme and this work is overseen by the Budget Working Group and Schools Forum.

5.3 Financial Sustainability

- 5.3.1 The Medium Term Financial Strategy approved by council on 7th March 2021 forecast a surplus of £2.2m in 2022/3 but deficits of £8.9m in 2023/24 and £2.5m in 2024/25. The Director of Finance and Legal, in making his report to the Council Tax setting meeting under Section 25 of the Local Government Act 2003 concluded as follows:

“In my professional opinion:

- The estimates made for the purposes of the calculation of the Council’s budget requirement under Section 32 of the Local Government Finance Act 1992, contained in this report, are robust.
- The financial reserves that will remain available to the Council as a result of agreeing the proposals contained in this report are adequate to enable the setting of a lawful budget for 2022/23.
- Although adequate to set a lawful budget for 2022/23, reserves are low by comparison with other councils. The rate of Council Tax (and as a result the level of spending) is also low compared to other councils. Forecasts already build in the maximum increase in Council Tax without a referendum for 2022/23 and assume similar increases in later years. There are significant risks to the forecast and Members should note that, if these risks materialise, there will be a need to reduce spending plans and/or raise additional income in order to avoid imprudent reductions to the level of reserves. This will be challenging in view of the context set out above.”

- 5.3.2 There has been a worsening of the financial position since the budget was set. The latest forecast is for a deficit of £7.5m in 2022/23 (an adverse variance of £9.7m compared with the planned surplus of £2.2m) driven in the main by the pay award being higher than budgeted, rising energy and fuel prices, increased costs of social care and trading income shortfalls. Many of these factors have ongoing implications for future years and the outlook for government funding is uncertain, pending the Local Government Finance Settlement. It is recognised that the Council may need to consider radical changes to services. A draft Medium Term Financial Strategy will be considered by Cabinet on 14th December.

5.4 Payroll Transactions

- 5.4.1 The 2021/22 draft Payroll audit report is showing an improvement in the assurance level from 'minimal' to 'reasonable'. A significant and lengthy period of work has been undertaken and completed to develop revised processes, update guidance and introduce new exception reporting to be accessed by managers, who have an important role in the initiation of, changing of and approval of payroll payments for their staff. The majority of payroll transactions continue to be processed the HR PIMS system which enables both employee and manager self-service. The direction of travel continues to be positive.

5.5 Senior Management Changes

- 5.5.1 All of the council's director level roles are filled by permanent appointments with the exception of the Director of Public Realm post which is occupied by an interim director.

5.6 Dudley Integrated Health and Care NHS (Integrated Care Partnership- ICP)

- 5.6.1 Although DIHC have become a legal entity in April 2022, the majority of the governance and check processes have not been completed such as the Integrated Support and Assurance Process (ISAP). DIHC have been identified as the preferred provider but the majority of contracts have not been awarded to DIHC.
- 5.6.2 Due to this delay, Dudley MBC obtained legal advice and decided to procure Public Health contracts in 2022-2023, this decision was informed by assessing the risk of extending contract further.
- 5.6.3 Public Health contract and delivery models are designed to support system integration and synergise with vertical integration models, which the NHS and wider system are currently working on; NHS system leaders have committed to working together through the clinically led Accelerated Solution Environment approach, with system solution events held in March and May 2022. These events included representative from the PH department to ensure the new organisation would focus on a population health approach.
- 5.6.4 The future vertical integration model for Dudley is dependent on the outcome of this process the process will not conclude until summer 2022.
- 5.6.5 A commissioning programme board has now been set up to oversee the recommissioning of PH contracts in line with procurement and legal regulations and guidance.
- 5.6.6 Public Health will go to market through open competitive procedures for the following:
- Adult Wellness/Healthy Lifestyle Services
 - Drug, Alcohol and Substance Misuse Services
 - Sexual and Reproductive Services
 - Children & Young People - Integrated service

- 5.6.7 A governance structure is in place reporting to SEB and Full Council. The meeting will be chaired by the Director of Public Health. A Project Plan detailing the project key timelines and major milestone is in place and will be reviewed regularly with all necessary project processes including risk included in the project management process.

5.7 Infrastructure Developments

- 5.7.1 The unprecedented level of investment and regeneration activity continued in 2020-21 as the council continued to roll out a £1 billion regeneration programme which will be the biggest investment ever made in the Borough. The projects onsite and in delivery cover key areas of connectivity/infrastructure, visitor economy, town centres, and skills:

Connectivity/Infrastructure

- 5.7.2 Metro, a total of £449 million will be invested by West Midlands Combined Authority (WMCA) in the Wednesbury to Brierley Hill Metro which will extend the West Midlands Metro from Wednesbury through the heart of Dudley town centre to Brierley Hill. This is due to open to passengers in 24.
- 5.7.3 Dudley Transport Interchange will be a world-class multi-modal facility tying together the new West Midlands Metro extension project and potentially the bus rapid transit SPRINT. This is now due for delivery in 2024 (delayed due to the need for a Compulsory Purchase Order).
- 5.7.4 Metro and Interchange investments will be complemented further with a substantial package of public realm and environmental improvement works focussing on improving the pedestrian connectivity between Dudley Castle, the University Park at Castle Hill and the town centre to create an integrated town centre.

Visitor Economy

- 5.7.5 The Castle Hill Vision and Dudley Castle Zoological Gardens (Phase 2) is a planned £13 million programme of development including restoration of Dudley Castle and Zoo along with the development and upgrade of visitor and education facilities. The council recognises that preservation of this heritage asset is key to improving the tourism sector for Dudley and it is working jointly with Historic England to deliver the necessary improvements and investment.
- 5.7.6 The Black Country Living Museum “Forging Ahead” Programme is the single largest capital development project in the Museum’s history. Forging Ahead is a scheme that will take the Living Museum’s story into the 1940s, 50s and 60s and deliver a new visitor welcome area, dedicated learning centre and industrial quarter. £24 million has been secured to develop the proposal.

- 5.7.7 New Dudley Leisure Centre is part of a wider package of £31.3m investment which includes refurbishment of Halesowen Leisure Centre and improvements to Crystal Leisure Centre. Investment is timed to take advantage of links to Birmingham Commonwealth Games in summer 2022. Black Country UNESCO Global Geopark – the council are in the final stages of recruiting a permanent Black Country UNESCO Global Geopark team. Talks are ongoing with WMCA and Midland Metro to promote Geopark opportunities. Dudley are due to host the UK Geopark conference in June 2022.

Town Centres

- 5.7.8 The Portersfield scheme is a town centre regeneration scheme, located just off Dudley high street. The scheme has already seen the demolition of Cavendish House. The Portersfield site is adjacent to the new Midland Metro route and planned transport interchange and suitably developed has potential to create a new vibrant quarter in Dudley Town Centre. Development Consultants are supporting the council in undertaking soft market testing and will be advising on an appropriate development mix and routes to market.
- 5.7.9 Brierley Hill Future High Streets Fund and Heritage Action Zone fund are concurrent programmes that will bring empty properties back into use for retail or housing. The plan is to make the gateway entrances more attractive and to improve the public realm including the provision of pedestrian links between the Metro/the High Street and Merry Hill.
- 5.7.10 Levelling Up Fund bids are being developed for Dudley North, Stourbridge (Lye) and Halesowen MP constituency areas. Bids must be submitted by 6th July 2022 and focus on town centre regeneration, culture (heritage) and transport.

Skills

- 5.7.11 Very Light Rail National Innovation Centre - this £28m project will provide a unique research facility for the development of Very Light Railway (VLR) technologies and projects. The project brings back into use a redundant stretch of railway to support the Innovation Centre and will develop and test the VLR prototype vehicle. The test track is complete, and the innovation centre will complete in May 2022.
- 5.7.12 Black Country and Marches Institute of Technology is a £26 million purpose designed facility, bringing together further and higher education providers with employers. The facility opens to students in September 2021.
- 5.7.13 The majority of the regeneration projects are delivered and therefore managed externally with their own governance arrangements. However, some funding streams require the council to underwrite bids so there is a need to monitor and evaluate these external bids. Key aspects of governance over the regeneration programme are as follows:

- 5.7.14 Council Regeneration Team, working in partnership with internal and external partners, has been set up to co-ordinate the regeneration programme from the council's perspective.
- 5.7.15 A Major Capital Investment Projects Board has been established, chaired by the council's Chief Executive. The Board considers all bids and emerging projects, identifies synergies and added value and approves progression. The Board also receives by exception, reporting on the risks and key milestones of major strategic projects. Project Boards and Steering groups feed into this Board.
- 5.7.16 The Towns Fund Board for Dudley has been operational since early 2020. Boards are being or will be established for Brierley Hill, Halesowen and Stourbridge that mirror the operation of this Board.
- 5.7.17 Regeneration and Enterprise Strategy Group meets monthly to receive reports from lead officers and steering groups.
- 5.7.18 A monthly status update report which "RAG" rates the progress of projects and emerging bids, is issued to Strategic Executive Board, Cabinet, shadow leads and Project Boards. This report also highlights key activity achieved, milestones in coming month and the key risks/issues.
- 5.7.19 Regular meetings are held between the Director of Regeneration and Enterprise with Local Enterprise Partnership Chief Executive Officer and WMCA Director of Housing and Regeneration on projects and funding.
- 5.7.20 A number of key challenges affect the regeneration programme including:
- Funding – European Union funding is being phased out and in its place the UK Shared Prosperity Fund will be implemented. Full details on this remain to be confirmed and it is likely the funds will be lower. Increasingly funds require a competitive bidding process. Therefore, there is a risk of insufficient funding streams or failure to successfully bid for funds.
 - Ambitious regeneration plans drive long term change and add value to the local economy but, at the same time, carry financial, commercial, planning, procurement and other compliance risk that will need to be carefully managed,
 - The level of information and breadth of detail required to submit and be successful in bidding is onerous and resource intensive. The council are required to demonstrate stakeholder engagement and have to explain the economic costs of the bid and the economic benefits arising.
 - Built environment, property/legal, bidding and procurement specialists are required and some of these skills are in very short supply and therefore could impact upon regeneration activity and responsiveness,
 - This huge regeneration programme creates enormous opportunities and potential benefits, but these need to be exploited, which will require a strategic approach, good co-ordination and sufficient and appropriate resources.

5.8 Covid-19

- 5.8.1 To improve governance and accountability of the Covid-19 response a new management structure was implemented to ensure compliance and oversight of workstreams and to allow the wider Health & Wellbeing workforce to begin to focus on other priorities.
- 5.8.2 The new management team focused on delivery of the response and the LOMP objectives streamlining processes and procedures to remove duplication and improve programme oversight
- 5.8.3 Oversight of the multi-agency report to Covid 19 remains through the Health Protection Board chaired by the DPH. Sub-groups of that Board provide assurance on specific workstreams e.g. care homes. Effective coordination of all activities was implemented at strategic and operational level and with partners and other agencies.
- 5.8.4 The Covid Outbreak Engagement Board provided the political ownership and public facing engagement and communication in relation to the response to Covid 19 supporting engagement with local communities, township and localised groups and dissemination of key messages.
- 5.8.5 The Authority's progress against the LOMP has been subject to review by the Health & Social Care Scrutiny Committee as part of the 2021/22 programme
- 5.8.6 Additional Senior Executive Board meetings have continued to report progress and challenges with regards the pandemic response
- 5.8.7 Since the development of the Local Outbreak Management Plan national policy and guidance has changed as the pandemic has evolved which has meant that some of the original objectives set out in the LOMP have needed to evolve and adapt with those changes. These have been implemented by the Covid 19 Management Team and reported through the governance structures listed above.
- 5.8.8 In line with the Contain Framework (Published in August) the ongoing focus for the Council has been to support our local residents and businesses, moving away from stringent restrictions to everyone's day-to-day lives and advising people on how to protect themselves and others, alongside targeted interventions to reduce risk.
- 5.8.9 The Local Authority has continued to offer a 7 day service to respond to Covid incidents and outbreaks and testing/vaccination engagement and promotion has continued throughout 2021/22. Local contract tracing and engagement with those testing positive has continued offering guidance and welfare
- 5.8.10 In February 2022 the Government published the Covid19 Response - Living with Covid 19 document that set out how the country would move into a new phase of living with Covid19

5.8.11 With effect from the 24th February 2022, the legal requirement to self-isolate was lifted and routine contact tracing ended and local authorities were required to manage local outbreaks through pre-existing Public Health powers and plans

5.8.12 The local contact tracing service led by Dudley Council Plus was stood down on the 24th February 2022. The 7 day service to respond to covid incidents and outbreaks delivered by the wider Health & Wellbeing Team was deescalated in March 2022 and responsibility transferred back to the Health Protection Team.

5.8.13 As the onus shifted from state mandation to personal responsibility the Local Authority has focused on:

- Integration of the COVID response into usual processes
- Continuing to focus on protecting those settings known to be at highest risk through local COVID-19 outbreak investigation and management activities
- Developing lessons learnt throughout the pandemic and gathering the legacy work from all teams involved in the covid response
- Safely stood-down Covid support/responses in line with national guidance
- Developed and maintained flexible capacity locally to respond to future outbreaks or pandemics
- Reviewed how we can continue to support our communities
- Reviewed our outbreak management plans – ensuring we have processes in place which can be stepped up if subsequent waves of infection/outbreaks occur
- Continued to support our frontline staff providing care to our vulnerable residents with access to testing
- Continued to routinely provide public health messaging and communications to set out advice about sensible behaviours and actions to their local residents.

5.8.14 The council has been closely monitoring all aspects of the financial impact of the crisis. During 2021/22 the council received £11.8m of unringfenced funding, and a further £36m for specific increases in expenditure due to the Covid response and for financial and non financial support for individuals and businesses in the Borough.

6. New and Emerging Significant Issues

6.1 Digital platform

6.1.1 The procurement and implementation of a new Digital Platform has been identified as a significant issue due to its risk rating.

Procurement

6.1.2 Learning lessons from the previously unsuccessful digital platform project, the council is taking a full competitive dialogue route to procure a new digital platform.

6.1.3 This will ensure a compliant and transparent approach. Competitive dialogue allows the council to negotiate a proposed solution and bidders to develop alternative proposals based on the Council's needs.

- 6.1.4 The process offers opportunity to review and evaluate interim submissions and close gaps until the Council finds a solution and contract that meets its needs.
- 6.1.5 This approach will reduce the risk of entering into a contract with a supplier with unknowns and minimises potentially costly change control notices and disputes.
- 6.1.6 A procurement timeline is being drafted with the aim of making recommendations to Cabinet for contract award in March 2023.

Governance

- 6.1.7 To ensure the level and breadth of engagement and buy-in is council wide, a new governance structure is being established.
- 6.1.8 This platform will create enormous opportunities and requires a strategic approach to exploit benefits, including good co-ordination and appropriate resources.
- 6.1.9 A digital platform steering group with broad membership representative of council services will enable and encourage views corporate wide and work in an open and transparent way to oversee the procurement, design and delivery of the platform.
- 6.1.10 This model will ensure clear objectives, collective internal decision making, business process agreement and technical agreement.
- 6.1.11 The digital platform steering group will report into the Digital Board (reports through SEB to Cabinet) which has been established and meeting since October 2021.
- 6.1.12 It is anticipated that the new digital platform steering group will commence June/July 2022.

6.2 Equality, Diversity and Inclusion

- 6.2.1 Section 4.13 refers to a number of emerging challenges in relation to Equality, Diversity and Inclusion, as well as actions to address these challenges.

6.3 Recruitment and Retention

- 6.3.1 The inability to recruit and retain staff particularly in professional areas where there is a national shortage of skills and expertise, together with emerging recruitment and retention challenges facing employers resulting from impact of the covid pandemic, has been identified as a significant issue due to its risk rating. This is currently being addressed in a number of ways including;
- Growing our talent pool through the use of apprenticeships
 - Procuring Interim consultants where appropriate to ensure the council has the skills and capacity needed to support the delivery of key services.
 - The introduction of new workstyles and promotion of agile/flexible working to ensure we attract the best talent for roles that can work remotely.

- Developing career pathways in a range of professional areas across the council to support employees to develop their careers over time and to retain talent, particularly in hard to fill roles
- Utilising market forces supplements to attract candidates to roles that are very hard to recruit to and to retain internal talent for these roles
- Workforce planning at directorate level on an annual basis to enable the identification of the roles that are difficult to recruit to and plans put in place to address/mitigate impact .
- Regular Horizon scanning to anticipate changes and trends to professional areas across the council together with keeping up to date on national trends for hard to recruit professions.

6.3.2 The Council's People Plan will set the direction for Dudley council to become an employer of choice and will provide a "shop window" to current and prospective employees, as well as identify the range of activities we have committed to that will improve the employee experience.

6.3.3 Work will be completed to further define and promote the Employee Value proposition (EVP) so that prospective candidates can easily identify Dudley Council as an employer of choice. In addition, further opportunities to strengthen recruitment and retention to such roles will be explored via the new joint venture recruitment agency.

6.4 **Governance – Programmes, Projects and Contract Management**

6.4.1 Issues have been identified with the council's approach to managing programmes, projects and contracts. Concerns raised include:

- Lack of clear roles and responsibilities e.g. having a designated project or contract manager.
- Lack of understanding of the contract in place.
- Payments not made in accordance with Financial Regulations and in line with the agreed contract.
- Procurement not undertaken in accordance with Contract Standing Orders.
- Lack of effective governance over projects (project plans, project reporting, project risks and issues, designated Senior Responsible Officer).
- Decisions not undertaken in accordance with the council's constitution.
- Project budgets not managed in accordance with Financial Regulations.
- Poor records management.
- Legal advice not obtained where appropriate.

6.4.2 The council has recently established a Corporate Portfolio Office who are currently reviewing processes and governance to support the delivery of programmes, projects and corporate initiatives.

6.4.3 The Deputy Chief Executive is to produce action plans to address the above issues which will be agreed with Audit and Standards Committee and they will be responsible for monitoring progress.

7 Action Plan

7.1 The issues identified in Section 5 and Section 6 will be the subject to separate Action Plans that will be monitored by Strategic Executive Board, Cabinet, Children’s Services Improvement Board and other council Committees and Groups.

8. Conclusion

8.1 The council is very aware of the issues raised in Section 5 and Section 6 and will ensure progress is made during 2022/23. With the exception of these issues, the council’s governance framework remains “fit for purpose”.

P Harley
Leader of the council

K O’Keefe
Chief Executive

Appendix A

Dudley Council Governance Structure

Full Council

The full Council comprises all 72 elected members. It has responsibility for approving the overall policy framework including the budget. It retains responsibility for certain functions, however, most of its powers and duties are delegated to the Cabinet or committees operating within the decision-making structure set out in the Constitution. The full Council also has a key role in holding the Cabinet to account.

Cabinet

The Cabinet comprises of the Leader of the council plus 9 other Cabinet Members each with a defined portfolio (or areas of responsibility). The Cabinet meets approximately every 8 weeks, chaired by the Leader of the council. Shadow Cabinet Members attend meetings to speak but not vote. Collectively, the Cabinet makes decisions affecting local services and makes recommendations to the full Council on the overall policy direction. The Cabinet has to make decisions which are in line with the council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the council as a whole to decide.

Scrutiny

Scrutiny Committees undertake in depth scrutiny investigations/ enquiries and contribute to policy development in respect of issues/items falling within their terms of reference. The Scrutiny Committees submit reports and recommendations to the Cabinet and/or full Council on the outcome of scrutiny investigations, enquiries or reviews. An annual report is submitted to the Council.

Statutory and Regulatory Committees

The Council appoints the following committees to discharge the functions indicated:-

- Appeals Committee - The determination of all matters where a right of appeal to elected Members exists under any of the council's policies or procedures.
- Appointments Committee - Recommending to the full Council the appointment of a Chief Executive and deciding upon the appointment of Strategic Directors and Chief Officers.
- Audit and Standards Committee and Standards Sub-Committee - The overview of internal and external audit, risk management, fraud and functions relating to local government standards.
- Children's Corporate Parenting Board - Its role is to secure cross departmental involvement and commitment throughout the council to deliver better outcomes for children in care. The Board is responsible for the implementation of the Corporate Parenting Strategy and subsequent Delivery Plan, which will ensure the most effective means of achieving sustained service improvements.

- Planning Committee - Functions relating to town and country planning and development control, including tree preservation functions.
- Dudley Health and Wellbeing Board - This Board has been formed to recognise that the council has a key role to encourage coherent commissioning strategies across the NHS, social care, public health and other partners. The Board deals with the responsibilities of the Local Authority and the GP Consortia for the Joint Strategic Needs Assessment and the Pharmaceutical Needs Assessment. It is also involved in developing a Joint Health and Wellbeing Strategy.
- Ernest Stevens Trusts Management Committee - To undertake the council's functions as a Trustee in relation to matters concerning the Ernest Stevens Trusts and all Trust land in the Borough.
- Licensing and Safety Committee and Licensing Sub-Committees (x4) - Licensing functions (apart from hackney carriage and private hire licensing), health and safety functions, other than those exercised by the council as employer.
- Taxis Committee - Functions relating to hackney carriage and private hire licensing.