

Corporate Peer Challenge

Barrow Borough Council

18th to 20th September 2013

Report

1. Background and scope of the peer challenge

On behalf of the team, I would just like to say what a pleasure and privilege it was to be invited in to Barrow Borough Council to deliver the recent corporate peer challenge. The team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site and the participation of elected members, staff and partners in the process.

This was one of the corporate peer challenges delivered by the Local Government Association as part of the approach to sector led improvement. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

William Benson, Chief Executive, Tunbridge Wells Borough Council
Councillor Simon Greaves, Leader, Bassetlaw District Council (Labour)
Peter Coates, Assistant Head (Transformation), Sunderland City Council
Nick Adams, Business Director (London), British Telecom
Chris Bowron, Peer Challenge Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual councils' needs. Indeed they are designed to complement and add value to a council's own performance and improvement focus. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read.

The guiding questions for all corporate peer challenges are:

- Does the council understand its local context and has it established a clear set of priorities?
- Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Does the council have effective political and managerial leadership and is it a constructive partnership?
- Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

In order to tailor the peer challenge to Barrow, the authority asked us to explore the issue of 'channel shift', looking at:

- How the council can move more of its customers away from face-to-face contact to achieve a more efficient use of customer facing resources
- How a cultural change might be affected within the council (with officers) and outside the council (with service users) to ensure a shift is sustained
- The types of systems and processes that would support a shift in contact

As you will recall, we undertook to write to you to confirm the team's findings, building on the feedback provided to you on the final day of the peer challenge and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

2. Executive summary

Barrow Borough Council has made good progress in addressing the financial challenge it has been facing to date and is confident of its financial plans through to 2015/16. It is now in the process of extending the horizon for its financial planning through to 2018/19. Difficult budget decisions have been taken in recent years but even tougher decisions will be necessary in the future that will require strong political leadership.

In the course of addressing the financial challenge, the council has undergone major organisational change which has seen around 20 per cent of the authority's workforce leave the council's employment. This process, and the resulting changes in structure and people's roles, seems to have been effectively managed. The Administration has delivered on its ambition of avoiding compulsory redundancies and the 'psychological contract' between the council and the people working there appears intact.

During the peer challenge process, we met committed staff who fully understand the reasons behind all of the recent changes and the upheaval that they have experienced. They demonstrated an ability to see a bigger picture, even though the changes had generated uncertainty and anxiety for them and involved close colleagues leaving. They were also able to outline opportunities they saw emerging from the difficult times they and the council have been through. All the staff that we spoke to had an appetite and a need to know more and would welcome the chance to contribute their ideas and views around the way the council operates and how it might improve things. Goodwill and enthusiasm abounded amongst the groups we met and we would encourage the council to do more in the way of thanking staff for their efforts.

The Executive Director, who has been in post for little more than a year since the former Chief Executive took voluntary redundancy, is held in high regard within the organisation. He enjoys a constructive relationship with the elected members that we spoke to and staff at all levels indicated they found him approachable and personable and felt that he took a strong interest in them as individuals.

In 2011, the council moved to a four-yearly electoral cycle. This has served to establish much greater political stability, not so much in terms of the political make-up of the authority, but in terms of enabling the Administration to focus on a longer-term horizon than that presented by elections by thirds. This has been instrumental in enabling the

Administration to take a strategic and considered approach to addressing the budget challenge.

The council provides a number of public amenities that would be the envy of many similarly-sized councils and towns and we learnt of a number of operational successes and achievements on the part of the council. There are also real grounds for optimism around the local economy.

In discussing the priorities for the council, in a context of reduced funding and organisational capacity, there were a wide range of views expressed regarding where the council was currently focusing its effort and where it might usefully be applied in the future. We see it as being important for the council to act quickly and decisively to establish clear strategic direction, involving determining what is important for the borough and where the council needs to focus its effort and resources – with this being underpinned by the Medium Term Financial Plan and an effective performance management framework.

Barrow as a place and as a council has tremendous opportunities. However, there is a need for an injection within the council of both strategic capacity and much greater impetus than is demonstrated politically and at the senior management level at present, if the council is to capitalise on these opportunities to make a difference. The alternative to the authority seizing the future and the opportunities that exist is for the council's role to become one of merely fulfilling its statutory obligations. There is also a need for the council to develop more of an outward-looking focus. Achieving the greatest impact and benefits for Barrow requires the council to engage and influence much more effectively and across a much wider geography than it does at present.

Decision-making within the council appears to be poorly informed and un-strategic. In looking at the information flow to elected members and senior managers, we noted that there is extremely limited contextual, performance and financial information being asked for or provided.

Whilst relationships between elected members and officers in the council are good, there is very little, if any, opportunity created for the senior political and managerial leadership to jointly informally consider key strategic issues. It is important for space to be created for key strategic matters and emerging issues to be jointly considered by the senior leadership in order to help develop thinking around the future direction.

One of the main elements of the council's budget strategy has been aiming to generate increased income. In some instances this has involved increasing the amount paid by service users. As we understand it, this policy decision has been taken at the corporate centre without any discussion, or request for alternative proposals, with those responsible for the management or delivery of the services concerned. There is a very real risk that, in taking these types of decisions in this way, consumer demand drops and so does income – thus jeopardising the council's balanced budget position. However, this is wider than just a budgetary issue – with potential implications for, as examples, the economic health and vibrancy of the town centre and levels of public health. It is vital that financial decisions are fully risk-assessed and modelled prior to implementation – reducing the risk of 'unintended consequences'.

There is also an element of this which sees the council denying managers autonomy and responsibility. People delivering services have tremendously valuable knowledge and experience that they can effectively and creatively deploy to assist in addressing the council's financial challenge. Failure to draw upon such knowledge, experience and commitment serves to waste capacity and negatively impact upon the morale of staff and managers. Managers should be trusted to manage.

There is significant council expenditure on a number of major long-term contracts with the private sector, through which a range of both customer-facing and back-office services are delivered. Effective contract management is required to ensure the contracts deliver what is necessary and represent value for money. Should the council feel that they are not achieving what they want or that there is a question around the value for money being offered through the contract, they should seek dialogue and potential re-negotiation. We understand the council has recently secured some additional capacity to assist it in this regard.

Our understanding is that performance data suggests all is well with customer service – but the reality is somewhat different. Many assumptions are being made about what customers want and need and traditional customer service approaches seem to dominate. Recent budgetary decisions, and the related staffing changes that have taken place, have seen the council's ability to engage and communicate with local people significantly reduced. There are no longer any council officers with a remit focused on either communications or engagement and this is having a noticeable impact. This presents a real challenge for the authority going forward, in terms of how it understands what is important to local people and how it keeps them informed.

3. Detailed findings

3.1 Building blocks for the future

- Barrow Borough Council has made good progress in addressing the financial challenge it has been facing. The authority's Medium Term Financial Plan (MTFP) shows that the net revenue budget from 2013/14 is £11.2m. Over the period from 2010/11 to 2015/16, the level of government grant will have reduced from £9.1m to £5.1m. The council has addressed significant budget gaps in recent years, involving a cumulative total of £3,643,000 - including a gap of £590,000 for the current year. Of the savings required this year, £190,000 has been delivered through staffing reductions and there are ambitions to increase income by £120,000 this year. A re-profiling of the council's capital programme has enabled the council to reduce its borrowing requirement by £375,000. Looking ahead, there is a need to address gaps of £521,000 and £410,000 in 2014/15 and 2015/16 respectively – with these being the outstanding amounts after the agreed use of reserves, from the Transition Grant set up by the council for this specific purpose, has been included.
- The council has been successful in securing transitional support and Efficiency Support Grant from government totalling around £6m to help it manage the scaling down of the budget in a strategic and managed way. Such money is being used in such areas as upgrading the quality of some of the council's commercial property portfolio in order to increase income and fund redundancy payments. Despite the

challenges involved, the council is confident of its financial plans through to 2015/16 and is now in the process of extending the horizon for its financial planning through to 2018/19.

- In the course of addressing the financial challenge, the council has undergone major organisational change which has seen around 20 per cent of the authority's workforce leave the council's employment – including the Chief Executive. This process, and the resulting changes in structure and people's roles, seems to have been effectively managed. The Administration has delivered on its ambition of avoiding compulsory redundancies and the 'psychological contract' between the council and the people working there appears intact. The voluntary redundancy process has achieved the requisite savings and this has been undertaken in a way that has seen the council carefully considering each case individually, looking at the risks and implications and approving or turning down the request accordingly – thus avoiding a 'free for all' in which anybody that wished to leave could do so.
- In undertaking focus groups with staff from the frontline and middle management positions, we met committed staff who fully understand the reasons behind all of the recent changes and the upheaval that they have experienced. They demonstrated an ability to see a bigger picture, even though the changes had generated uncertainty and anxiety for them and involved close colleagues leaving. They were also able to outline opportunities they saw emerging from the difficult times they and the council have been through. Such opportunities include a reduced hierarchy and improved communication within the organisation – although this was not being universally experienced with some staff indicating the loss of their manager had led to a communications vacuum opening up for them. Goodwill and enthusiasm abounded amongst the groups we met and we would encourage the council to do more in the way of thanking staff for their efforts.
- Many of the staff and elected members we met indicated the council has traditionally demonstrated a willingness to invest in them, in the form of training and development, and that this has continued despite the budget difficulties.
- The Executive Director, who has been in post for little more than a year since the former Chief Executive took voluntary redundancy, is held in high regard within the organisation. He enjoys a constructive relationship with the elected members that we spoke to and staff at all levels indicated they found him approachable and personable and felt that he took a strong interest in them as individuals. The downside of this is that the Executive Director is seen as the 'go to guy' when people want to get things done or have issues that need to be addressed – which puts significant pressure on him.
- In 2011, the council moved to a four-yearly electoral cycle. People indicated this has served to establish much greater political stability, not so much in terms of the political make-up of the authority, but in terms of enabling the Administration to focus on a longer-term horizon than that presented by elections by thirds. This has been instrumental in enabling the Administration to take a strategic and considered approach to addressing the budget challenge.

- There are positive relationships between elected members and officers. Elected members interact with officers at all levels as they seek to progress case work on behalf of their residents. This works on a very informal basis that everybody we spoke to feels comfortable with. Whilst there have been occasional instances of councillors, who have tended to be newly elected members, seeking to press an issue in a way that may not fit with protocol, this has always been dealt with effectively and appropriately. Indeed, frontline staff indicated they feel comfortable addressing the occasional demonstration of ‘over-exuberance’ by a councillor.
- The council provides a number of public amenities that would be the envy of many similarly-sized councils and towns, most notably The Forum and Dock Museum. We also learnt of a number of operational successes and achievements on the part of the council. As examples, we noted that the authority has good quality council housing stock, with 100 per cent of properties meeting the ‘Decent Homes’ standard. As another example, the council has taken a strong interest in the move to establish a credit union locally and has been willing to support it financially where necessary. The leisure centre has demonstrated creativity, purchasing a large inflatable for use in the pool and repaying the amount through the increased revenue resulting from the increased usage of the pool that it led to. Another example is Operation Amber, a joint initiative with the police and other agencies which involves the stopping and searching of motor vehicles in an effort to reduce crime. The council should take pride and confidence from all of this as it goes forward.
- Barrow sits on the ‘Energy Coast’, centred on the nuclear and wind energy industries, and the town is the base for a growing number of companies involved in the offshore technology industry. BAE Systems, as a major local employer, has a long-term order book stretching over the next couple of decades which offers a large degree of stability and certainty. This all serves to provide real grounds for optimism around the local economy. It is vital that the council ensures it both supports and capitalises on this, involving understanding the needs of local business, being a responsive council that endeavours to meet such needs and working to maximise the employment opportunities for local people.

3.2 Seizing the future

- In discussing the priorities for the council, in a context of reduced funding and organisational capacity, there were a wide range of views expressed regarding where the council was currently focusing its effort and where it might usefully be applied in the future. The council’s ‘Key Priorities’ document outlines the overall strategic driver for the authority in the coming four years as ‘retrenchment’ – focusing on becoming smaller and withdrawing from services and functions which it decides are less important and relevant given the resources available. Underneath this overall driver, there are four priorities outlined as follows:
 - Provide good quality efficient and cost effective services while reducing overall expenditure

- Continue to support housing market renewal including an increase in the choice and quality of housing stock and the regeneration of our oldest and poorest housing
 - Work to mitigate the effects of the recession and cuts in public expenditure and their impact on the local economy and secure a sustainable and long term economic recovery for our community
 - Continue to improve and enhance the built environment and public realm, working with key partners to secure regeneration of derelict and underused land and buildings in the borough
- None of our discussions provided us with any sense that these priorities were known about and shaping the activities and focus of people within the council. Also, we were unclear how the priorities had been arrived at.
 - The same document outlines a number of 'improvement activities' that are intended to underpin the priorities but many of them appear, to us at least, to lack a direct link or connection to them. They certainly don't represent a comprehensive set of actions or initiatives through which the council can fulfil its ambitions. Nor do they represent a set of performance indicators enabling progress to be measured by the council and other stakeholders.
 - We see it as being important for the council to act quickly and decisively to establish clear strategic direction, involving determining what is important for the borough and where the council needs to focus its effort and resources – with this being underpinned by the MTFP and an effective performance management framework. The work the council commenced around the time of the peer challenge on the development of a Council Plan is a positive step and provides the opportunity to look at the issues we have highlighted here.
 - Following the recent changes and with the council now having significantly fewer staff than before, organisational capacity is clearly tight. With the scale of the changes that have been made and the fact that situations don't remain static, it is almost inevitable that capacity in some areas will become too strained whilst others will cope relatively more easily. This situation is being compounded by staff being attracted to go and work for other local employers in different sectors to local government. Building Control, as an example, is an area that we understand is becoming enormously strained. This all generates a need for the council to monitor the on-going impact of the staffing changes and respond to any issues that subsequently arise. The council is clear that it has recognised this issue through its risk register and is acting accordingly, re-adjusting any spare staff capacity to meet priorities and recruiting new staff where pressures are becoming a problem. Another approach the council has adopted is using consultants on a long-term basis to cover vacancies arising from sickness absence or extended leave.
 - As a general observation, the 'status quo' often seems to prevail in the council unless an external factor forces change. As an example, it is only on the back of the District Auditor highlighting their absence that the council is looking to introduce operational risk registers. Similarly, local people are unable to submit information

on-line in relation to their Revenues and Benefits applications, even though many councils have greatly enhanced efficiency and customer service by going down this route a long time ago. We also understand that whilst people can make on-line bookings for The Forum, the same facility is denied to them for the leisure centre. We heard the phrase 'if it ain't broke don't fix it' on a number of occasions during our discussions. Our question would be that whilst something might not be broken, how does the council know that whatever it is is working to best effect?

- Barrow as a place and as a council has tremendous opportunities. These range from the local economic picture to the chance to grasp the strategic housing and welfare reform agendas and the potential to dramatically improve the way local people access council services. However, there is a need for an injection within the council of both strategic capacity and much greater impetus than is demonstrated politically and at the senior management level at present, if the council is to capitalise on these opportunities to make a difference.
- Our discussions revealed a lack of clarity regarding where responsibility and ownership lies within the council for key strategic issues such as regeneration and economic development, strategic housing, customer service and welfare reform. Where it was identified, the answer that invariably came back was "the Executive Director". This cannot be sustainable and is inevitably leading to a lack of drive and direction in certain areas. For example, we could find no evidence of welfare reform being considered strategically in the round by the council's strategic management team; discussions were primarily driven by concerns relating to the council's own housing stock and its impact on the Housing Revenue Account.
- Also, it is important that everybody adapts to the dramatically changed circumstances facing local government. Resources are much more constrained than before and effort needs to be focused on finding alternative and imaginative ways of addressing the borough's challenges rather than vesting hopes in a return to the 'days of plenty'.
- The alternative to the authority seizing the future and the opportunities that exist is for the council's role to become one of merely fulfilling its statutory obligations. As a deliverer of services, whether statutory or discretionary, the role of the council could easily be replaced by another provider. However, in terms of having the scope and remit to act as a 'place-shaper' and set the agenda for Barrow, the authority is uniquely placed. At the present time, the council seems to be focused on its service delivery role rather than place-shaping and setting the strategic direction.
- The setting up of the Business Improvement Team (BIT) is a good initiative but can only have very limited impact, both in terms of scope and what it can deliver. Comprising four people who are taking on their responsibilities within this team in addition to their existing roles and responsibilities, the BIT can hope to contribute some challenge, new ideas and innovation in some areas, such as customer service and the use of technology, but that is all. There is no criticism of the individuals within the team when we say that the creation of it does not represent the injection of strategic capacity that we indicated a need for earlier in the report. The council needs to be careful that it isn't loading too much on to the individuals and raising expectations within the organisation of what the team can deliver.

There is also a danger that the creation of the team generates suspicion and resentment amongst others, with some people we met asking ‘why are they the ones that have been chosen?’. In addition, we noted that a significant proportion of the staff we spoke to were unaware of the team’s existence.

3.3 Directing the council

- Decision-making within the council appears to be poorly informed and un-strategic. In looking at the information flow to elected members and senior managers, we noted that there is extremely limited contextual, performance and financial information being asked for or provided. Only six performance indicators are reported to elected members and senior managers on a regular basis – and they do not align much at all with the council’s stated priorities. With those six indicators, there is no accompanying analysis or commentary that is insightful or meaningful. As an example, we noted that sickness absence has increased 50 per cent between 2011/12 and 2012/13 but the commentary is limited to the statement that “sickness absence is significantly worse than last year”. In speaking to people about this, it seems to be the case that a small number of long-term sickness absence cases are causing the figures to be skewed, but this is not explained anywhere in the reporting information.
- Where performance is reported to elected members it is divorced from financial information, with the former being considered by Overview and Scrutiny Committee and the latter by the Executive Committee. Whilst the Executive Committee receives a quarterly budget update, we very much struggled to make sense of what these reports are actually highlighting, especially in relation to the crucial issue of how the council is delivering against the budget changes.
- Whilst relationships between elected members and officers in the council are good, there is very little, if any, opportunity created for the senior political and managerial leadership to jointly informally consider key strategic issues. The occasions when they come together less formally seem to be limited to the pre-agenda discussions for Executive Committee, with the subjects under discussion being limited to the items on the agenda. It is important for space to be created for key strategic matters and emerging issues to be jointly considered by the senior leadership in order to help develop thinking around the future direction. This isn’t about undertaking a series of costly ‘away days’ – it is about senior councillors and managers having time together at regular intervals to explore key issues in an informal way. The meeting the Executive Director has approximately once a month with the Leader, Deputy Leader and Chair of the Planning Committee, as three senior elected members, are a start but we would advocate much more frequent discussions involving a wider range of people.
- In addition, meetings between senior managers that involve people beyond the Executive Director, Deputy Executive Director and Borough Treasurer, appear to happen infrequently and to be very formal. In saying this, we acknowledge that the Management Board, comprising these three individuals plus the two Assistant Directors and the Housing Manager, does meet every six weeks but it is still limited in terms of membership and is centred on a formal agenda. Additionally, there seems to be little engagement between senior managers out-with these forums.

Those staff at middle manager level that we spoke to see no opportunity for them to be involved in the senior management gatherings. Management Group, which meets twice a year and comprises all departmental managers, is a step in the right direction though and we would encourage the council to increase the frequency of these meetings in order to aid dialogue, cross-organisational working and relationship building.

- As we have already outlined, staff are unclear about the strategic direction of the council and where its priorities lie. They are also unclear about what the future holds for them and the authority – although they recognise certainty can't be offered to them. Whilst some staff indicated they felt they had a good flow of information to them, others felt the opposite. There was a noticeable way in which staff contrasted the visibility and approachability of the Executive Director with the way some other senior managers operated. All the staff that we spoke to had an appetite and a need to know more and would welcome the chance to contribute their ideas and views around the way the council operates and how it might improve things. Barrow is a relatively small council, so we were surprised that the authority does not seek to get staff together regularly in appropriately sized groups to discuss topical issues. In the current climate there is inevitably anxiety for people about the future. Increased engagement would help to alleviate some of this, denying the rumour mill the ability to dictate people's understanding.

3.4 Managing the business

- Developing an improved performance information and performance management focus within the council has been discussed and is something that the Executive Director is keen to see delivered. However, there is still a long way to go before it becomes a reality. We have already highlighted the issue of limited performance monitoring and reporting in the authority. In addition, there is very poor undertaking of performance appraisals. The Executive Director is modelling the way on this issue and has had an appraisal undertaken by elected members which establishes very clear areas that he needs to deliver on. Whilst we earlier highlighted staff and elected members indicating the council has an on-going track record of being willing to invest in them, we question how training and development provision can be aligned with need in an environment where appraisals are seldom undertaken. An appraisal is crucial for staff both to be clear about what is expected of them and for their training and development needs to be identified.
- From what we have heard, it appears to be the case that whilst the council employs managers it limits their autonomy and responsibility. The organisation places no requirement upon middle managers to monitor or report on performance (beyond the six indicators we have previously referred to) but many have established performance monitoring arrangements within their services to assist them in fulfilling their role. In terms of financial management, managers meet the designated accountant for their service once per annum to discuss their budget for the year ahead. Whilst they meet their accountant at other points too, middle managers do not appear to be required or invited to submit ideas on how best to meet budget challenges.

- One of the main elements of the council's budget strategy has been aiming to generate increased income. In some instances this has involved increasing the amount paid by service users. Examples include raising the cost of car parking in the town centre from £1 an hour to £1.50 and the cost of a junior swimming session in the leisure centre from £1.70 to £3. As we understand it, this policy decision has been taken at the corporate centre without any discussion, or request for alternative proposals, with those responsible for the management or delivery of the services concerned. There is a very real risk that, in taking these types of decisions in this way, consumer demand drops and so does income – thus jeopardising the council's balanced budget position. At the very least, the council will need to monitor very carefully the extent to which income is increasing in line with the budget requirement in order to reassure itself that things are on track – for example ensuring the council's ambitions around securing increased revenue from its commercial estate are being fulfilled. At present the budget reporting process makes it difficult to determine this.
- However, this is wider than just a budgetary issue – with potential implications for, as examples, the economic health and vibrancy of the town centre and levels of public health. It is vital that financial decisions are fully risk-assessed and modelled prior to implementation – reducing the risk of 'unintended consequences'.
- There is also an element of this which exacerbates the issue of the council limiting managers' autonomy and responsibility. People delivering services have tremendously valuable knowledge and experience that they can effectively and creatively deploy to assist in addressing the council's financial challenge. Failure to draw upon such knowledge, experience and commitment serves to waste capacity and negatively impact on the morale of staff and managers. Managers should be trusted to manage – they should be given a defined budget and clear expectations as to what they need to deliver but the 'how' should be left to them.
- We learnt of several instances of the council having made a significant investment but not then capitalising on it. One of the examples is the purchase of the customer insight tool MOSAIC which offers the ability to develop profiles of local communities and establish a detailed understanding of the different ways in which residents prefer to be communicated with. Another example is the COGNOS business intelligence software package and a further example is the 'See My Data' facility that it was intended would enable council house tenants to view their 'account' details on-line. Such investment involves considerable expense and not capitalising on it represents a waste of resources and lost opportunity.
- There is significant council expenditure on a number of major long-term contracts with the private sector, through which a range of both customer-facing and back-office services are delivered. We have not undertaken anything in the way of a detailed analysis of these contracts or the arrangements surrounding them but our discussions lead us to conclude that some of the gaps we have highlighted regarding the council more generally, such as the lack of strategic direction and limited performance management, are replicated in the council's approach to the management of these contracts. Effective contract management, at the heart of which need to lie both good two way communication between client and contractor and good governance, is required to ensure the contracts deliver what is necessary

and represent value for money. Should the council feel that they are not achieving what they want or that there is a question around the value for money being offered through the contract, they should seek dialogue and potential re-negotiation. We understand the council has recently secured some additional capacity to assist it in this regard.

- There is an unsustainable reliance on council reserves to deliver a balanced budget. The council is accepting of this situation at present and it represents a key plank of the council's budget strategy. However, over the next four to five years or so, the financial reality around the reserves dictates that a different approach will need to be adopted – meaning that the inevitable cannot be deferred indefinitely. Difficult budget decisions have been taken, not least in relation to the reduction in staff numbers, but even tougher decisions will be necessary in the future that will require strong political leadership. Political 'red lines' are likely to have to be re-drawn as a result and strategic preparation for this could usefully begin sooner rather than later.

3.5 Customers and citizens

- We were asked to consider the issue of 'channel shift' during the peer challenge. This was essentially concerned with looking at how the council could move customers away from the more expensive 'face to face' way of contacting the authority to less costly methods such as over the telephone or on-line. Our conclusion, having briefly explored the council's current approach to dealing with customers, is that 'channel shift' needs to be seen as an important agenda to pursue in the future but not just yet. Instead, it is with the wider issue of 'customer service' where we see the immediate challenges and opportunities lying.
- Our understanding is that performance data suggests all is well with customer service – but the reality is somewhat different. There appears to be very little in the way of performance information on customer service, either from the council or its contractors, that has much profile either within or beyond the organisation. The measures and targets that we learnt of are 90 per cent of customers visiting the main customer service reception being seen within 10 minutes and 60 per cent of customers telephoning the council's call centre having their call answered within four minutes. The indications are that both targets are regularly met. However, there are two issues here. The first is the extent to which such targets are reflective of what might be considered good customer service. The second is the evidence we gathered for ourselves about the awkward way in which customers visiting the council have to go about things. As simple examples:
 - The Town Hall has several different routes of entry, each with its own reception/security desk and the signage is not very clear to the main customer service reception point meaning people invariably have to ask where they need to go
 - The main customer service reception point is not geared up to deliver much beyond basic enquiries at the first point of contact.

- Anybody wishing to pay the council in cash is required to visit the Post Office or a Paypoint to make the payment – although also needing to come in to the council both before and after making their payment in order to obtain the necessary means of payment and proof of payment
 - With customers being limited in terms of the activities they can undertake on-line (including people not being able to submit information relating to their Revenues and Benefits application) the council effectively forces them to have to come in to the council offices
 - One single service, such as the renewing of a taxi licence, can involve up to seven separate contacts for the customer
 - When you add the number of reception points across the rest of the public sector estate within Barrow town centre, such as Cumbria County Council and the police, plus the voluntary sector, there is an even more complex picture that emerges. We counted over a dozen different reception points and heard stories of people re-presenting themselves at different reception points when they felt they had failed to reach a resolution to their inquiry at another point.
- Many assumptions are being made about what customers want and need and, as we have outlined above, traditional customer service approaches seem to dominate. One of the common pictures presented by people we spoke to was of a community within Barrow that had limited IT capability and was strongly wedded to accessing services ‘face to face’. We were unable to identify the research upon which such perceptions are based and the anecdotal evidence, when you consider such concepts as accessing services via Smart Phones, suggests that there might be a significant misreading of the situation going on. Indeed, the success of the online booking facility at the Forum suggests that there might be considerably more scope to promote online activity.
 - Recent budgetary decisions, and the related staffing changes that have taken place, have seen the council’s ability to engage and communicate with local people being significantly reduced. There are no longer any council officers with a remit focused on either communications or engagement and this is having a noticeable impact. Supporting budgets have also been reduced or removed. As an example, the council has dispensed with its publicity budget dedicated to raising recycling awareness and participation – with a drop in levels of recycling, and related revenue, subsequently being experienced. .
 - The concept of ‘two tier’ local government and the ways in which it operates are not easy for the general public to understand – something that is widely recognised across the country, including in the areas that some of the peer challenge team members come from. However, the level of confusion in Barrow is much greater than other places – albeit for reasons that we are not clear about. This is causing reputational damage for both Barrow Borough Council and Cumbria County Council. It also wastes resources in the council’s customer services operation, with the time taken up dealing with customers making enquiries that relate to the other authority and re-directing them. We noted that a working group of Borough and County Councillors was set up immediately after the election in May to investigate

ways of better joint working and we very much welcome this. Also, neighbourhood management, highways staff and the Registrar are in the process of being re-located to offer more joined-up services. It has also been agreed that Cumbria County Council highways and trading standards functions will use the borough council's 'self-serve' software to directly enter and forward misplaced enquiries in future. Joint meetings between staff from both organisations in services that link with one another have also started. All of these initiatives represent a move in the right direction.

3.6 Partnerships and influence

- We see a need for the council to develop more of an outward-looking focus. The council describes itself as 'isolated' and a good proportion of people we spoke to referred to the borough demonstrating something of a 'peninsular mentality'. Achieving the greatest impact and benefits for Barrow requires the council to engage and influence much more effectively and across a much wider geography than it does at present.
- The policy and funding decisions that will have the greatest impact on Barrow over the coming years will be taken at the regional, national and European level rather than within the confines of the borough – so the council needs to be engaged much more beyond its boundaries. Addressing the issues that the borough faces, and capitalising upon the opportunities that exist, requires the council to be maximising its influence and progressing the case for Barrow with the Local Enterprise Partnership (LEP), authorities that make up the 'Energy Coast', Cumbria County Council and central government amongst others. The way the council has influenced the LEP's Strategic Economic Plan, in particular to ensure there is a priority supporting advanced manufacturing in the Furness area, reflects what it is capable of and the benefits that stand to be gleaned. The joint economic development strategy that the council has agreed with South Lakeland District Council covering the Furness area is another positive move.
- Given the economic potential locally, it is vital for the council to be engaging local business in order to ensure that the potential is maximised for the benefit of local people.
- We understand that the Barrow Local Strategic Partnership (LSP) was well regarded. Our discussions with partners suggested that some of them are having difficulty in finding alternative ways of having the dialogue they used to through the LSP following its removal. This isn't an area that we have looked at in any detail, so we don't claim to know the effectiveness of the LSP when it existed, the reasons for it being removed and the alternative means that have been put in place to enable appropriate dialogue to take place. However, the council is likely to want to seek to reassure itself that no opportunities are being lost and address any gaps that are felt to exist.
- In order to address its isolationism, the council's officers and elected members need to be engaging much more with wider local government and other sources of learning in order to help identify new approaches that could benefit the council and ultimately local residents.

Through the peer challenge process we have sought to highlight the many positive aspects of the council but we have also outlined some key challenges. It has been our aim to provide some detail on them through this report in order to help the council consider them and understand them. The council's senior managerial and political leadership will therefore undoubtedly want to reflect further on the findings before determining how they wish to take things forward.

Councillors, staff and partners participated readily in the peer challenge and freely gave their time to talk to us. We would encourage the council to share the findings of the review with partners, staff and councillors to stimulate a debate as to how the authority could most effectively respond to our observations.

Members of the team would be happy to contribute to any further improvement activity in the future and/or to return to the authority in due course to undertake a short progress review. Gill Taylor, as the Local Government Association's Principal Adviser for your region, will continue to act as the main contact between the council and the Local Government Association, particularly in relation to improvement. Hopefully this provides you with a convenient route of access to the organisation, its resources and packages of support going forward.

All of us connected with the peer challenge would like to wish the council and the borough of Barrow every success in the future.

Yours sincerely

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Local Government Association