

Jane Ratcliffe  
Chief Executive  
Great Yarmouth Borough Council  
Town Hall  
Hill Plain  
Great Yarmouth  
NR30 2QG

June 2013

Dear Jane

**Great Yarmouth Borough Council Corporate Peer Challenge  
14<sup>th</sup>-16<sup>th</sup> May 2013**

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into Great Yarmouth Borough Council to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement.

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Great Yarmouth were:

- Deborah Cadman – Chief Executive of Suffolk County Council
- Councillor Simon Blackburn – Leader of Blackpool Borough Council
- Councillor Paul Middlebrough – Leader of Wychavon District Council
- Neil Farmer – Strategic Director, East Dorset & Christchurch District Councils
- Karen Iveson – Executive Director, Selby District Council
- Ian Simpson – Performance Improvement Consultant
- Paul Clarke – Programme Manager, LGA

**Scope and focus of the peer challenge**

You asked the peer team to provide an external 'health-check' of the organisation by considering the core components looked at by all corporate peer challenges:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?

2. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

Within this framework you asked us to comment on the on-going fitness for purpose and longer term sustainability of the organisation. We have endeavoured to do this.

### **The peer challenge process**

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

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite at Great Yarmouth, during which they:

- Spoke to more than 60 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 35 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 200 hours to determine their findings – the equivalent of one person spending more than 5 weeks in Great Yarmouth.

This letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (14<sup>th</sup>-16<sup>th</sup> May 2013). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **Summary of feedback: overall observations and messages**

Great Yarmouth Borough Council is clearly on a journey of improvement. You have achieved a great deal for the borough and have created 'flashes of brilliance' and 'pockets of excellence' across the organisation. Driven by the passion, pride and commitment of staff, and your 'can do' mindset and determination to 'get things done', there is an abundance of project based work and an array of activity being delivered. Some of this is impressive, such as aspects of your neighbourhood management approach, and some projects and practice might potentially provide ways of working that can be built on and scaled up to become part of how the organisation does business.

A lot of activity appears to be driven largely by a desire to respond to ad hoc challenges and specific short-term funding opportunities. Given the financial challenges facing the council this will become an increasingly unsustainable way of working. Longer term priority setting, underpinned by a robust rationale, and coupled with a more co-ordinated approach is required to maximise the capacity of the organisation and others to deliver effective services and enable better outcomes for the people of Great Yarmouth. You have begun to recognise this and informed by political ambitions, you have recently developed a corporate plan setting out the medium term priorities for the council.

There is now a need to accelerate your understanding of how the organisation will deliver these, and future priorities, within a context of shrinking resources and growing customer expectations. A coherent, communicated vision of what the council of the future looks and feels like will provide clarity about the shape, style and size of organisation required. It will provide a framework for prioritising, allocating and co-ordinating resources and capacity and for determining who, how and when you work with or influence others to leverage external capacity and deliver your priorities. In essence it will be the strategic 'glue' that holds things together.

It will also help shape and inform the transformation and organisational development activity required. You are aware there is a lot to do to create an organisation that can deliver future priorities in the most effective and efficient way. There is, for example, a need to further develop the capacity and corporate support functions that maximise organisational productivity, such as performance management, procurement, ICT strategy, financial management and HR/Organisational Development. In doing this you will need to consider the values, culture and characteristics of the entrepreneurial council you aspire to be in the future.

There is also a need to ensure internal challenge is a feature of the organisation. This is critical to enabling informed policy development and transparent decision-

making. We heard little evidence that current mechanisms such as overview and scrutiny provide meaningful and timely challenge. This coupled with the almost complete absence of a performance management regime and culture means it is not clear where robust and relevant challenge is provided from within the organisation. We suggest this is a key area for further development to enable the council to move forward on its journey of improvement.

In moving forward there are some notable building blocks already in place. Officers are clearly proud to work for the council and people want to be part of the changes required. The organisation seems up for further improvement and development and appears to understand the need for this. To capitalise on this strength we suggest further work will need to be done to raise the awareness and acceptance about the size and scale of some of the challenges and risks facing the council.

One of the key risks facing the council is of course the increasing financial challenges. Whilst you have achieved efficiency savings to date and improved financial management over the past few years, we think the long term financial sustainability of the council remains a concern. Your financial strategy is highly dependent on income generation which in the current climate comes with significant risk. You told us that you have plans in place to mitigate your financial challenges and support delivery of your emerging growth agenda, but we think a longer term and broader view is needed to ensure a better linkage between the council's priorities and its financial strategy. A longer term sustainable financial strategy is essential; this is likely to include ways to improve efficiency, manage demand and possibly stop doing some things as well as increasing income.

There is a demanding, but not insurmountable, journey ahead for Great Yarmouth. It will require the new 'top team' of members and managers to grasp the opportunity to lead the organisation's transformation. We encourage you to seize the moment and move things forward at pace in a planned and proactive manner, ensuring you engage with staff and partners along the way. We also encourage you to draw on the learning, challenge and support available from the sector, something you have an emerging willingness to do - demonstrated for example by commissioning this peer challenge. This we suggest will become increasingly important as you continue your journey of improvement.

### **Summary of feedback: current performance, ability and capacity to deliver future ambitions**

#### *Understanding of local context and priority setting*

Your new corporate plan sets out four clear priorities which appear relevant given the challenges and issues facing Great Yarmouth. The plan is clearly informed by political ambitions and priorities and provides a good summary of the activity being

delivered or planned. Less clear is the evidence base for the priorities and plans to deliver them, and the difference they are intended to make for the borough and its population. You have produced a comprehensive Borough Profile to inform the corporate and service planning processes. But there is no mention or linkage to it in your new Corporate Plan. There is scope we suggest to use the analysis to provide a clearer rationale for your priorities and plans.

Similarly by including some measures of impact you can provide a more compelling narrative of what you want to achieve for the borough. The Plan needs to convey what will be different and better for people in Great Yarmouth as a result of delivering the actions it lists. In short there needs to be a more explicit connection between evidence base and rationale, action and activity, and impact and outcomes. This will help communicate your aspirations and ambitions to a range of stakeholders.

It will also help further develop the 'golden thread' you have started to create by the introduction of service plans. The service planning approach is still embryonic and in developing it further you will need to put more focus on outcomes and return on investment. Consider presenting things in a way that communicates a clear sense of rationale-action-impact so that performance and progress can be more effectively measured and managed.

You pride yourself on being a 'can do' organisation' and 'getting things done'. This often means you are quick to respond to issues and circumstances. As one person put it 'we just get on with stuff'. This approach has served you well in the past. But you may need to consider how you do business in the future. As you look to work more with others we suggest you will need to better articulate the rationale for, and impact of, what you do. This will instill confidence and credibility with those you do business with, who might not necessarily share your risk appetite. In essence we think you need to be far more 'business savvy' by being clearer on what your offer is to others you wish to work with and why they should want to work with you. What you want and expect out of the deal should be more prominent features of the way you consider and promote collaboration.

This will be helped by being clearer internally and externally about what the future organisation looks and feels like. The Corporate Plan helps in terms of setting out what you want to deliver for the borough, but there is not yet a coherent, expressed vision of how the council will operate. The Statement of Intent is a decent start, but we think there is a need to further consider, develop and articulate the defining characteristics and organisational identity of the future council. A fully owned, clear vision of what the organisation looks like in 3-4 years' time including key service delivery methods, levels of service provided, and ways of working will help inform the transformation and organisational development activity required.

Having recognised that improving the economic prospects for local people is a key priority, you are starting to bring together and consolidate the various plans and activity to create a more cohesive and strategic approach to grow the economy of Great Yarmouth. Utilising your community leadership role, you now need to determine roles and responsibilities of the council and others and help to join up and co-ordinate activity. This is particularly important given the two distinctly different and potentially conflicting elements of energy industry and tourism that make up your economic development strategy.

### Financial planning and viability

You have clearly put energy and focus into improving financial management at Great Yarmouth over the past few years. As a result there is a record of improving financial performance, and an unqualified opinion was issued on the Authority's 2011/12 financial statements. You have successfully delivered efficiency savings through the use of systems thinking and restructuring of the council which has reduced staffing costs. Some significant headway has been made in identifying savings towards the 2013/14 budget gap of £3.2 million. This is all notable progress, particularly in the context of significant reduction of revenue funding (through Area based Grant and RSG) to Great Yarmouth.

However, as in many other authorities the future financial viability of Great Yarmouth Borough Council is far from assured. Your Medium Term Financial Strategy (MTFS) identifies the financial challenges facing the council to 2015/16 and sets out the plan to meet the budget gap over this period. This includes a range of proposals in line with the approaches we see in other authorities such as voluntary redundancies, contract renegotiations and driving out further efficiencies in service delivery. There does though appear to be a high dependence on using reserves and generating additional income, which in the current economic climate comes with obvious, and arguably significant, risk. It will be important that assumptions continue to be tested thoroughly and progress monitored robustly to ensure these remain realistic.

We understand that you are due to refresh and update the MTFS. We strongly encourage you to do this as soon as possible. Use the opportunity of a refresh to take a longer term and broader view of the financial risks and potential scenarios. This will help provide more confidence and assurance, both internally and externally, that the financial viability of the council is sustainable. More consideration of the 'what ifs' and the contingencies through scenario planning will help you manage risk more effectively, and be more confident and knowledgeable about taking decisions now about your financial future. A refreshed MTFS might usefully include how the Efficiency Support Grant (if secured) will be used to reshape and transform the organisation and its ways of working so that it operates more efficiently and reduces base budget.

We got a sense that currently all priority setting, planning and risk management is done on the basis of a 2-3 year horizon. A longer term and broader view will ensure a better linkage between the council's priorities and its financial strategy. In particular, we suggest you create a better linkage between the Corporate Plan, MTFS, Capital Strategy, Asset Management Plan and the emerging economic growth agenda and proposals. Your MTFS needs to bring together all of your long term financial plans, clearly state the assumptions upon which it is built, identify the risks both within those assumptions and the wider environment; and provide a financial 'route map' towards delivery of the Council's objectives.

Your extensive portfolio of assets offers enormous potential for both revenue and capital financing, together with regeneration. Options have not yet been fully explored, albeit significant income is already received from some. You know this and have started work on developing a strategic asset management strategy. The strategy will be informed by an integrated Asset Register that maps council and partner assets to provide an overall picture of the public and third sector ownership of property assets within the borough. This we think is a significant piece of work for the council. We encourage you to move this work forward at pace so that a longer term vision and objectives are developed that are in tune with your overall corporate plan and financial strategy.

To strengthen your financial management further we suggest you consider whether regular and robust challenge, internal engagement and ownership are sufficiently embedded as part of your strategic risk management approach. You have strategic risk register in place which is monitored every six months by the senior management team and Cabinet. We encourage you to build on this further to enable a more regular and rounded dialogue about the key risks facing the council, ensuring a collective understanding and ownership of them. Currently this appears patchy.

### *Political and Managerial Leadership*

Based on the people we saw during our visit to Great Yarmouth, staff and members are energised and receptive to change, and want to contribute. Most appreciate the need for transformational change. Developing and communicating a shared vision for the future organisation that people understand will help this continue. It will be needed to manage expectations (internally and externally) moving forward.

Both the political and managerial leadership of the organisation are open to new ideas and different ways of working. There are no potential new delivery models that have been ruled out as such, and you are keen that there continues to be a 'mixed economy' of approaches determined by whatever delivers the best outcomes for the people of Great Yarmouth (for the money available). Whilst on one hand

this is very positive, there is a risk of course that being open to all ideas will stretch the capacity and skills of an organisation that has become smaller and leaner. Being clear on whether there is anything 'off limits' as regards future ways of working and service delivery, and any preferred approaches will help provide further clarity about the future and ensure that the thinking time, skills, capacity and resource of the organisation is deployed more efficiently and effectively.

You will need to consider the leadership capacity and styles needed to lead the organisation and place. The council is starting a new phase of its improvement journey, and following the recent management restructure and local elections last year you have a new 'top team'. You have inherited some enormous challenges and a tough budget situation. You need to grasp the opportunity to change and use these as the drivers to transform the organisation to ensure it is fit for purpose to deliver the councils future aspirations and ambitions.

As well as 'running the council' there is a need to more proactively 'direct the borough'. You have an opportunity to further develop confidence and credibility of partners and other external stakeholders, and develop the council's crucial community leadership role. You know this, but need to quickly consider how best the political and managerial leadership can work together to provide the external leadership needed. It is for you to dispel any negative perceptions and myths about the Council and to prove doubters wrong by being clear on your 'offer' and being able to demonstrate and sell it convincingly. Part of this will be about taking the residents and voluntary and business sectors of Great Yarmouth with you. Radical changes will only be possible if people understand what it is you are trying to do.

You have taken some tough and decisive decisions already, not least to reduce the staffing establishment significantly, and have shown a willingness to engage in difficult debates such as proposed shared management arrangements. But we urge you not to underestimate the difficult decisions ahead for the council. Longer term horizon scanning will enable you to decide and deliver in a more strategic and considered way. We think you need additional capacity within the organisation to support this. Our observation is that the council is currently lacking in strategic policy, performance and research capacity. This is critical we think.

### Governance and decision-making

There are generally good member-officer relationships at Great Yarmouth based on mutual respect. There appears to be a positive and productive working environment and professional and political boundaries look to be understood. This is an obvious strength, but can also lead to complacency if there is an absence of effective and timely challenge. As decisions for the authority get tougher, it is important that these mechanisms that provide checks and balances are effective to test there is a

solid rationale and evidence for strategic decisions, and a clear understanding of outcomes, impact and return on investment.

It will be important for there to be opportunities for all members to be engaged in key decision making, policy development and improvement activity. Overview and scrutiny in particular needs to be more strategically positioned so it can make a timely and meaningful contribution to the important issues for Great Yarmouth. Other parts of the decision-making structures, such as the Audit and Risk Committee, will need to provide robust checks and balances. Effective, constructive and timely challenge to decision-makers is an important feature of a high performing authority. Evidence from members and officers demonstrated to us that it is not clear when and where this is currently provided at Great Yarmouth.

In reviewing documentation and speaking to people we were left with the impression that the rationale for decisions was not always clear, and that there is scope for a fuller analysis of risk and appraisal of options. Audit trails need to better demonstrate relevant business cases and rationale for the Council's decision-making. As you develop into an enterprising council these will need to become essential features of how you do business.

Similarly as you work more with others in a variety of different ways you will need to consider how governance arrangements evolve to ensure you get the best deal from each of the agreements you enter into. Commissioning and contract management skills will become ever more important. We think these are crucial areas to focus on developing further, building on the existing expertise and experience you have gained through the array of collaborative arrangements and ventures you are already part of. We suggest you need to become a more 'demanding client' - not only for commercial arrangements but also for joint arrangements with other public sector organisations - ensuring you have the necessary business acumen and confidence to maximise value for money and return on investment. Robust monitoring using good quality performance information and impact measures will of course be an essential part of this.

There appears to be a consensus on doing what is best for Great Yarmouth. Consideration could be given to other ways of enhancing political consistency and continuity. This might include considering whether the current electoral cycle helps provide the long term focus Great Yarmouth needs. There is a potential cost saving here which would not be insignificant.

### Capacity

Your staff are passionate and proud to work for the council. They seem highly committed to the local community and motivated to do their best for the area. Our engagement with officers during the peer challenge suggested officers are willing to

embrace new ways of working, and in fact many are already doing this, albeit in ad hoc and one-off projects and initiatives.

The organisation is clearly flexible and receptive to different forms of shared services, collaboration and delegation as means by which to increase capacity, build resilience, improve outcomes and save money. There are a range of examples that demonstrate this, including the arrangement with the County Council to provide IT and legal services, a shared internal audit function, a joint procurement consortium and the provision of environmental services through the subsidiary organisation Great Yarmouth Borough Services Ltd which you are currently working to develop into a joint venture arrangement.

Your neighbourhood management work and good engagement with the voluntary sector deliver a range of projects and initiatives that support community organisations and build resilient and cohesive communities. There is an extraordinary amount of activity being delivered in communities. Some of what you are doing through your neighbourhood management approach and associated projects is excellent. We were impressed by what we saw and heard about, such as the Parkour, Comeunity and SeaChange programmes. Community development is obviously a key defining feature of the councils' current role.

However, we saw limited evidence of how you are using these interventions to reduce overall demand for public services. Given the environment of decreasing resources and increasing customer expectations there will we suggest be a need to consider how the council's relationship with communities needs to evolve.

As you start to think about the role, shape and style of future organisation, it is timely to consider how you evolve your approach from one of helping communities to access funding and support, to one that is more focused on building capacity and self-sufficiency. Compared to many councils you have a great foundation to build on and excellent relationships, engagement and knowledge that will help you explore how these can be utilised to reduce need for services through more enabling and empowering, and co-production. All of this will help you develop a customer access strategy in order to put customers at the heart of what you do in order to deliver excellent, cost effective and efficient services.

Whilst you have successfully implemented organisational change and improvement to date, we posed the question of whether you are geared up for the more major transformational change that will be required to create a sustainable council of the future. Developing a vision of the future organisation as soon as possible will help determine the transformational and organisational development required. But with a slimmed down management team there are obvious questions as to who will lead and manage the transformation programme.

In addition there is a need we think to further develop the functions that maximise organisational capacity and productivity such as performance management, ICT, procurement and financial management, both to support transformation and serve the needs of the council of the future. The use of ICT as a strategic enabler for both 'self-service' and improved productivity will be important as you consider your transformation agenda.

Performance management in particular is an area for immediate improvement we suggest. It is not robust or systematic across the council at present. It needs to be. This is about culture and behaviours as well as systems and process, and is fundamentally important in terms of knowing what you are delivering is making a difference and having the intended impact and effect.

Having streamlined your management and staff structures, it becomes even more important that you know the skills the organisation needs, and when they are needed. Any further staff reduction will need to be carefully planned and considered in light of likely future requirements. As resources become increasingly scarce, it is unlikely the authority will be able to continue to offer comparatively generous voluntary redundancy packages.

In addition, during a period of transformation you are likely to need different skills and expertise at different times. You will need to ensure that temporary capacity, skills and knowledge are secured through flexible and agile arrangements including for example internal and external secondments, and support from the sector. On the latter you have already shown a willingness to embrace the support on offer, particularly the assistance being provided by Suffolk County Council, the LGA (including this peer challenge) and East of England LGA.

### **Key suggestions and ideas for consideration**

The peer team developed some key recommendations for you to consider. These are based on what we saw, heard and read. Drawing on our experience of the sector and knowledge of local government improvement, the following are things we think will help you to make best use of your skills and experience, deliver some quick wins, and develop the strengths you will need to see your change agenda through:

1. Develop and communicate a vision for the council of the future which sets out the role, shape and style of organisation (building on the Corporate Plan 'Statement of Intent'). This is likely to include:
  - Considering how you manage future demand for services and hard choices about what you keep doing and what you stop doing
  - Challenging yourselves about who is best to deliver services and who to partner with and how

- Considering the leadership styles and capacity required
  - Defining the organisation values and characteristics
2. Design and deliver a transformation programme to develop the future organisation by:
    - creating capacity for transformation including programme management
    - drawing on support from partners and learning from the wider sector
    - using ICT to change how services are delivered
    - engaging and involving members, staff and other stakeholders
  3. Maximise current organisational capacity, productivity and effectiveness by:
    - Introducing a performance management regime that is fit for purpose
    - Strengthening corporate capacity for policy, performance and research
    - Considering the further development of corporate support functions
  4. Improve strategic financial management by examining your arrangements for financial leadership by:
    - Skilling up to ensure that appropriate financial awareness exists amongst all members and all staff
    - Reviewing processes to prioritise resources to deliver objectives
    - Ensuring complete audit trailed financial information underpins decision making
    - Taking a long term and broader view to managing financial risk (including scenario planning and horizon scanning)
  5. Establishing and developing your external credibility and reputation with your key partners through more:
    - effective communication of your 'offer'
    - business-like approach – clearer business cases and measures of impact and return on investment
    - delivering on your promises
  6. Draw on further internal and external challenge, learning, and expertise, including the support available from the sector

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit. We will provide signposting to examples of the above and other information that will help inform your thinking.

## **Next steps**

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. We will endeavour to signpost you to other sources of information and examples of practice and thinking.

I thought it helpful to provide contact details for Rachel Litherland who, as you know, is our Principal Adviser (East of England). Rachel can be contacted via email at [rachel.litherland@local.gov.uk](mailto:rachel.litherland@local.gov.uk) (or tel. 07795 076834). She is the main contact between your authority and the Local Government Association. Hopefully this provides you with a convenient route of access to the Local Government Association, its resources and any further support.

All of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

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On behalf of the peer challenge team

Appendix 1 – feedback slides