

Corporate Peer Challenge

Gedling Borough Council

November 2013

Report

Background and scope of the peer challenge

On behalf of the team, I would just like to say how much we enjoyed spending time in Gedling to work with you on the recent corporate peer challenge. The team appreciated the welcome we received and the openness and honesty with which people engaged in the process as well as the support provided in the lead up to, and during the course of, the challenge. We must give thanks to Stephen Bray for overseeing the preparation and a special mention for Caroline Rajchel who gave the team excellent support during our visit.

It is testimony to the confidence of Gedling that you commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Jim Dillon, Chief Executive, Scarborough Borough Council (lead peer)
- Jim McMahon, Leader, Oldham Council,
- Simon Edwards, Deputy Leader and Cabinet Member for Staffing, Finance and Risk Management, South Cambridgeshire District Council
- Laura Taylor, Director of Commissioning and Governance, Basingstoke and Deane Borough Council
- Sidgorée Nelson, Project Officer, Democratic Services, Gloucestershire County Council
- Sue Avery, Challenge Manager, LGA

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 and transformation?
- ❖ Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

The team have been asked to explore specific questions:

- Does the council have clear ambitions?
- Do systems and processes contribute effectively to this agenda?
- Member and officer roles, responsibilities and relationships – specifically whether members' skills are being effectively used and the extent to which all

members are appropriately involved in policy development, decision making, performance management and scrutiny

- The impact of recent political and managerial change – from member perspective to include differences between member roles before and now and how that's impacted member/member and member/officer relationships
- How the organisation's resources, capacity and services are being focussed on achieving priorities
- The extent to which the council has realistic strategies and actions to meet future challenges, including those to manage demand, those to reduce the cost base of its activities and different ways of achieving its priority outcomes.
- How well placed is the council to deliver its future ambition?

We agreed to write to you to confirm and expand on the team's findings as presented on the final day of the challenge.

Executive summary

Gedling has a long track record of providing good quality services at below average cost. Under previous inspection regimes, Gedling was categorised as a CPA "good" council, with a top ranking "use of resources" score. Notwithstanding this level of performance, there was a shared frustration amongst officers and members that more could be achieved and that the council was to some degree coasting, too introspective and lacking ambition. 2011 was a significant year with the council experiencing major political and managerial change. At the May local elections, Gedling experienced the greatest political swing of any council in the country, moving from a strong Conservative majority to an even stronger Labour majority. Over half of the Councillors elected were new to local government and the electorate returned a much higher proportion of women and younger members than had ever previously been the case.

Running in parallel to the political change was the implementation of the most significant organisational re-structure at Gedling for many years. Designed to deliver savings in management costs and bring about changes in culture, seven departments organised around traditional professional disciplines were replaced by four new Directorates. Sixteen service areas replaced twenty four sections and a number of long serving staff moved on and a number of new managers joined the organisation.

The challenge team was asked to consider a range of questions listed above and these have been included in the relevant core themes of Leadership and Governance and Organisational Capacity. The team met a broad range of members, managers, staff and cross sector partners and all meetings and focus groups were very well attended. This enabled those involved to engage in ideas for the future, some of which were still taking place after the final presentation.

The council gives a very strong impression of a cohesive and enthusiastic top team. The Leader, Deputy Leader, Chief Executive and Senior Leadership Team work closely together and display a passion for Gedling which generates respect amongst partners and residents. Much has been achieved since the change in administration and re-structure at senior management level including some high profile economic development successes

and building good relationships with partners which provide a strong base for future ambitions.

Whilst the political leadership are undoubtedly very ambitious and SLT are moving very quickly to bring change, there is a risk that both staff and members are being left behind. The ambition is not sufficiently understood and shared to bring everyone along – they need to be brought together by a clearer vision for the future. Greater engagement across member groups, more effective scrutiny and policy development involving backbenchers, and more consideration of change management will be key.

Financial accounting has been seen as a strength, with the council reducing its spending up till now. At the time of the challenge, the council was reviewing its MTFP and had identified a range of possible savings and efficiencies under consideration for future budgets. Of the total possible savings discussed, over 30% by value are efficiency measures. The council has a long history of successfully delivering planned efficiency reductions but there is recognition that robust plans will continue to be needed in the medium term to address budget challenges and prioritise and deliver key outcomes and new challenges. Greater consideration should be given to ‘invest to save’ opportunities.

The Civic Centre site has become a strong regional base with shared office space, a recent college facility and regional organisations moving onto the site. All of these have exciting potential for transforming services going forward. It is time to seize these opportunities and develop genuine shared services with these organisations.

Performance management requires stronger attention at Cabinet level and greater development of people management skills is needed for line managers. The staff survey highlights issues with management inconsistency, PDR’s, 1-1’s and team meetings and pockets within the organisation where there are feelings of not being valued

The team was very struck by the relevance of quotes made in our focus groups, some of which summed up the team’s key messages to the council, particularly:

‘Gedling Borough Council is pioneering, innovative and ambitious’

‘Credibility to deliver is vital – the Council needs to be careful not to over promise’

Leadership and Governance

The Leader, Deputy Leader, CX and SLT are perceived by staff and partners as working closely together and having a strong relationship. There is visible enthusiasm and passion for Gedling from the top of the organisation and this is reflected in the level of achievements over the last couple of years including securing £10.8m for the Gedling Access Road, securing the land for a country park on a former coalfield, enabling provision of a new health centre, and establishing the local Developer Forum.

The council is moving from a position of a traditional council towards that of an organisation focused on “leadership of place”. This shift has generated respect for Gedling amongst residents and partners. The Chief Executive and political leadership have taken a

key role in building strong partnerships and meet with partners regularly who recognise a notable difference in the openness, respect and ambition of the council in recent years.

The Leader and senior officers create a credible driving force in actively pursuing opportunities with developers to improve the economic well-being of the borough.

However, whilst the senior leadership and SLT are very ambitious and moving quickly to bring change more should be done to ensure that some members and staff are not left behind. A strong manifesto and positive drive from the Chief Executive ensured early goodwill but given the pace and scale of change, consideration is needed as to how best to bring everyone along.

Staff, in particular, want to do a good job, and it will be important for the council to take staff on the journey with them. Some staff and backbench members are not sufficiently engaged in the future vision for Gedling and this may restrict the ability of the Leader, Deputy Leader and SLT.

Clarity is needed on who owns performance management, with potential for more constructive challenge by members and officers. There is limited member ownership or scrutiny of the risk register and a more involved approach to risk management should be developed.

The Council has been involved in a number of shared services over a period of years and is looking to expand on these where it is of a cost and/or service delivery benefit. It has proved difficult to secure shared service arrangements on a County-wide basis and therefore the emerging Collaboration Agreement with Rushcliffe and Newark and Sherwood Councils carries the potential for swifter progress to build on the arrangements that are already in place. As staff and members better understand where they will be in 2017, they will recognise the need for a different style of Council for the future. This should be clarified so that everyone owns the change process.

The role of the Leaders Forum should be maximised. A strategic plan can be developed to tie in partners, marshal resources and monitor progress (including holding to account where necessary). Membership of the forum should be clarified and it should be used as a place to share the vision and ambitions without replicating previous LSP processes. A strategy of place would enable the Leaders Forum to deliver clear outcomes.

- **Does the council have clear ambitions?**
- **How well placed is the council to deliver these ambitions?**
- **What is the impact of recent political and managerial change – from member perspective to include differences between member roles before and now and how that's impacted member/member and member/officer relationships?**

The council is ambitious and this is articulated by the Leader, Deputy Leader and Chief Executive with plenty of passion and enthusiasm. This clarity of vision is not always shared by partners and more could be done to engage them in early discussions. Capacity issues could then be identified and addressed at an early stage. Robust business cases should be developed in future to identify the feasibility of delivering key projects.

Good progress has been made on the development agenda with the country park, 1000 potential jobs in the construction and delivery of a supermarket and associated development at Colwick and support for the local theatre. The collaborative working arrangements through the Leaders Forum have brought key partners together and there is a willingness to work together for the benefit of the district. There is a need to ensure there is a collectively developed Strategic Plan which brings together all partners in order to maximize the available resources and capacity across each organisation. This will move the Forum beyond a group which simply develops joint projects to one which has a greater sense of collective responsibility for agreed outcomes.

Community engagement takes place to help identify priorities and the Leader has a strong focus on young people, which is evidenced through his efforts to bring on younger members, and the council's focus on generating new employment and skills opportunities to bring down above average youth unemployment. Parish Councils are generally positive about improved communication and new Parish Liaison meetings, as they tend to focus on parish issues, but closer parish liaison and further work re-building these relationships would be a positive step.

The senior management re-structure was completed early in 2012 and is generally viewed positively. SLT and portfolio holders actively demonstrate positive relationships and describe a high degree of trust between them.

The senior leadership gives strong direction and has a high profile with managers and partners, but succession planning is a potential issue with regard to the Leader and his Deputy. Some members feel they are struggling to keep up with the leadership ambition.

More support will be required to deliver the Leaders wish to bring on younger members.

Financial Planning

There is an understanding at leadership level that the biggest challenge is the budget and developing medium and long term financial planning. The leadership has begun building relationships beyond its borders and the council is regarded as a good partner to work with.

Members are becoming more involved in budget management at a political group level although detailed scrutiny of the budget is not currently common practice. There is a need to bolster strong governance of the budget to ensure value for public money and to fully understand the implications and assumptions contained within budget options. Members should recognise that this needs to be a continuous all year round process rather than a once a year exercise.

There is external recognition that the council has strong accounting procedures. Years of good financial practice will provide a solid foundation moving forward. A planned approach is taken to using available reserves and balances to achieve a balanced revenue budget.

The Leader takes personal responsibility for the budget and financial strategy as the portfolio lead, but this may limit the opportunity for robust challenge. There is limited evidence of scrutiny of the budget or challenging its impact – not solely within scrutiny

itself but amongst members generally. Whilst the Leader and his deputy are actively involved in financial planning, broad engagement of cabinet members appears limited and periodic. These discussions should be ongoing - not just at the time of preparing the budget - and lead to wider engagement and ownership of financial planning, corporate budget planning process and Medium Term Financial Plan (MTFP).

More can be done to engage all members in the strategic financial planning process. Consideration could be given to creating a focus group of councillors to scrutinise some of the key assumptions in the MTFP. They could model alternative versions of MTFP with differing assumptions to encourage more robust budget planning.

To date the Council has been making savings and achieved under spending. It has a long record of successfully delivering efficiency targets – over the past 10 years, every budget has included efficiency proposals and all have been delivered. There is a strong drive from the top to deliver these and if anything this drive has strengthened further over the past year in the wake of the recession and reductions in government funding to local authorities. An appropriate degree of urgency is being attached to work to address the potential structural imbalance that the grant reduction could lead to. At the time of our review, robust discussions were in progress between the Senior Leadership Team and Cabinet members – it is important that these discussions are brought to a conclusion and for potentially difficult decisions to be made and followed through. The Council is able to draw on its continually evolving MTFP in addressing these issues and should be looking to fully update that plan to ensure that it continues to fulfil the role of being a rigorous long term financial plan.

Efficiencies should not only be driven by budget pressures but the need to prioritise resources and deliver new ambitions. Every business process should be challenged to ensure it is operating in the most efficient way possible and savings from those efficiencies spent on either further improving the quality of life of the residents or reducing the cost to them of providing the services. A model for this has recently been introduced.

The council is planning to introduce the ‘living wage’ as a minimum salary next year. However, it is understood that this may create pressure to review overall salary structures at higher levels as the council pay below average salaries at all levels.

The council could consider opportunities to increase its asset base, as this could hinder future growth.

Organisational Capacity

There was a consistent message of enthusiastic and loyal staff who have the respect of residents, and of members. Staff were positive and appreciative of the training and development they have received, and told the team of their desire to be part of the change agenda and move the council forward. Their enthusiasm is a resource that the Council could use better to achieve its ambitions.

On the Monday of the challenge week, service managers participated in a well-received, facilitated session with SLT, presenting their service plans and providing peer challenge to their colleagues. Opportunities for more internal peer challenge could be something that

the council engages in more regularly. Service managers would value the opportunity to get more involved, at an earlier stage, in the development of new ideas and initiatives.

Councillors are well regarded by parishes and the voluntary sector as working hard for their wards and the Borough. Councillors themselves talk positively about their communities and the value of ward walks as a new community engagement initiative. Councillors also cited improved member induction in discussions on member training.

Sustainability appears to be a key issue and there are questions as to whether the council has the capacity to deliver its ambitions in terms of people, skills, processes and systems. The organisation needs up-skilling in some areas for example Human Resources (HR) processes, project management, and performance management.

The take up of Performance Development Review (PDR) is inconsistent and the value of appraisal not recognised by some managers and staff the team met. This should not be seen as a time consuming, bureaucratic process as identified by some staff and managers, but as an integral part of good people management, building on regular one to ones and team meetings throughout the year. PDR's should always have an agreed deadline for their completion. For example full PDR in March looking back on the last years achievements against targets and looking forward to agree the next years objectives, and an interim PDR in September to track progress. The council already has an advanced HR software system which would facilitate great improvement in the PDR process and monitoring – it is not yet being used for this purpose.

Team meetings and one to one discussions with line managers also appear ad-hoc, with some managers not having these meetings at all. Team meetings, possibly based on team briefing principles, should become a mandatory part of the management day job as should one to ones and regularly speaking and listening to their staff. The council previously had Investors in People (IiP) accreditation and a decision has been made not to re-apply for financial reasons. However, it would make good people management sense to continue to adhere to the best practice principles of IiP, irrespective of formal accreditation.

Some staff shared concerns about relationships with managers at all levels. They feel unsupported, disconnected and have growing concerns that service standards are slipping. Given the small number of staff that the challenge team had contact with, it is difficult to conclude that this would be a consistent view. However, it is clear that some feel this way and therefore there are issues to be addressed.

The staff survey reflects concerns about the level of management communication in some parts of the organisation. These are key opportunities to motivate staff and ensure they feel a valued part of the Gedling team.

- **How the organisation's resources, capacity and services are being focussed on achieving priorities**
- **Member and officer roles, responsibilities and relationships – specifically whether members' skills are being effectively used and the extent to which all members are appropriately involved in policy development, decision making, performance management and scrutiny**

- **How the organisation's resources, capacity and services are being focussed on achieving priorities**
- **The extent to which the council has realistic strategies and actions to meet future challenges, including those to manage demand, those to reduce the cost base of its activities and different ways of achieving its priority outcomes.**

Gedling Council has been pro-active in creating a strong regional base at their location. It shares office space with the local Clinical Commissioning Group (CCG), and provides customer access points for Citizen's Advice Bureau, Nottinghamshire County Council and Gedling Homes. The Department for Work and Pensions is moving its local job centre to the council offices in January and the office of the Police and Crime Commissioner will also be moving to Gedling. The Central College of Nottingham have also recently started operating from another council facility on the Civic Centre site.

There are a number of development opportunities which will create employment or improve services to communities cost effectively for example the new development at Colwick and plans for leisure services. The Employment and Skills Group is effectively engaging partners and is well regarded by all those involved. The collaboration model is in its early stages but building strength and Locality Managers are seen as positive and effective. There is a collaboration agreement in place with other councils with a joint commitment to review alternative delivery models. This is a significant step forward and much effort will be needed to ensure proposals are turned into thriving partnership activities delivering better outcomes and efficiencies.

The Gedling Conversation has played a key role in customer engagement and recently took a well-received, innovative approach using Lego as a practical technique to support participation.

Whilst the ambition is very positive, priorities need to be narrowed to key areas, making best use of limited resources. The council has to embark on difficult discussions to determine exactly what cannot be delivered in future. Clarity is needed on priorities, non-essential and discretionary services and decisions made on where performance may not need to be quite so high.

Partnership working could be further developed to the next level with genuine shared services – potentially with other local authorities. In addition, there may be some services that could be shared between the council and those organisations based at the Civic Centre offices. This is an important opportunity that could be seized and the council should prioritise areas for shared working and develop business case options. Some parts of the Voluntary Sector feel the council is reluctant to let them meaningfully deliver. They believe that they are ready and waiting to take a more active role in delivering services to local communities.

Work needs to be done to enhance the effectiveness of overview and scrutiny to support the drive for achieving priorities and more fully making use of members' skills. Consideration could be given to the development of a shared work programme between Overview and Scrutiny and the Cabinet to add value to decision making. Backbench members could also be adding greater value to policy development and review.

Consideration should be given to investing in training for these members to strengthen overview and scrutiny and create a wider team approach.

Performance management could be more embedded and owned at Cabinet level. Overview and Scrutiny's role in performance management has been covered above, and consideration could be given to greater officer/officer challenge between services. A political dashboard is being developed which broadens performance monitoring and could include the forward plan, MTFP and communications strategy. The strategic risk register should be presented to scrutiny committee and cabinet and consideration could be given to where risk is reported and to the involvement of members.

Some 'invest to save' work is underway and this could be extended for example in IT and in considering new ways of working.

Staff and managers have identified a lack of capacity in project and performance management and the Council's proposed large scale initiatives will need specialist skills. A management development programme could be considered to build on managerial competencies in these areas in addition to enhancing the people management aspects of their roles.

Finally, we would like to thank colleagues and members at Gedling Borough Council for their support in the lead up to and during the peer challenge.

Mark Edgell, Principal Advisor from LGA (mark.edgell@lga.gov.uk 07747 636910) has discussed the benefit of a follow up visit from members of the peer team and advised of other help which may be available from the LGA. This is aimed at reflecting and building on the outcomes from the peer challenge.

Sue Avery
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