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Dear David

### **Halton Borough Council - Corporate Peer Challenge**

On behalf of the peer team, thank you for your invitation into Halton Borough Council to deliver the recent peer challenge. The team felt privileged to be allowed to conduct its work with the helpful support of you and your colleagues who were open and engaged with the process. It was clear that a significant amount of effort had been committed by the council in support of the peer team.

You asked the peer team to provide an external view of the council and give recognition of progress made; and supportive challenge and feedback on how you are prepared to meet future issues and opportunities for Halton.

You also asked the team to provide specific feedback by testing the council's thinking on the following:

#### 1. Governance

The council is keen that the arrangements remain fit for the future and enable a greater range of opportunities for Members to inform policy development and influence decision making

#### 2. Maximising external capacity

Review the potential for more partnership working, collaboration/engagement and pooled budgets to maximise the impact of resources and capacity that are directed to the delivery of priority outcomes for Halton.

In addition the peer team considered the ability, resilience and capacity of the council to deliver its future ambitions by looking at:

- understanding of local context and priority setting: does the council understand its local context and has it established a clear set of priorities?
- 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?
- political and managerial leadership: does the council have effective political and managerial leadership and is it a constructive partnership?

- governance and decision-making: are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- organisational capacity: are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement plans. The peers 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.

This letter provides a summary of the feedback that was presented at the end of our recent on-site visit. In presenting this the peer challenge team has done so as fellow local government officers and members, not professional consultants or inspectors. Our intention is to provide recognition of the progress Halton Borough Council has made in recent years while also stimulating debate and thinking about future challenges.

### **Overall message**

Halton Borough Council was created as a unitary council in 1998 and is the fourth smallest in England. The council serves a population of 125,700 with the two largest settlements of Widnes and Runcorn facing each other across the River Mersey. Halton has a record of a being a high performing council.

The borough has inherited a difficult legacy from its industrial past, particularly social and economic problems.

With changes to industry and employment the borough has comparatively high levels of deprivation, being the 27<sup>th</sup> highest nationally. Twenty-one of the Local Super Output Areas are in the top 10 per cent nationally and, of these, ten are in the top 3 per cent. An Acorn Social Classification tool found that 37 per cent of Halton households are 'hard-pressed'.

This has impacted adversely on health, unemployment, and community aspiration. For example, life expectancy for women is the 4<sup>th</sup> lowest in England; 16.6 per cent of residents aged 16-64 are claiming out of work benefits compared to 11.3 per cent for the rest of England (Nomis 2013); and child health and wellbeing is on most dimensions significantly worse than the England average. A consequence of industrialisation is that there is a high proportion of contaminated land that requires costly remediation before redevelopment can occur.

The borough benefits from excellent connectivity and transport infrastructure. There are good road and rail connections to London (less than 2 hours by train) and Birmingham. Similarly there is good proximity and access to airports at Liverpool and Manchester and to the Merseyside seaports. This connectivity has been and will be crucial for the development of the future Halton economy with this fully recognised by the council.

The council has led significant development and regeneration in the borough as well as adding considerable social value through high performing services, particularly in relation to children's and adults' services. This has been of enormous importance to improve the living environment for residents and to address the deprivation issues set out above.

The council's approach to regeneration has been transformational, ranging from the Sci-Tech Daresbury campus (with Enterprise Zone status) that is an international hub for world class science; to the imminent build of the Mersey Gateway bridge that will consolidate the strategic position of Halton in the region; and the Mersey Multimodal Gateway (3MG) that will become the UK's largest inter-modal logistics park with 6 daily train services to the south coast and handling 150,000 containers per annum. The opening of the Widnes Shopping Park bucked the recession and brought in major high street retailers and created circa 700 new jobs. The opening of a Tesco Extra in 2012 created a further 400 jobs.

The work led by the council with housing provider partners and the Homes and Communities Agency (HCA) has transformed the Castlefields estate from the concrete deck access flats through an investment of £100m over a 10 year period. What has been innovative is the follow-up work, with housing trusts, Halton Employment Partnership and Halton People into Jobs and other partners, to work with residents to create employment opportunities. This includes, for example, supporting residents to find employment on the Mersey Gateway build, through establishing job clubs, signposting support to employment and volunteering.

Regeneration is important for Halton to redress the community profile of the borough with its high comparative levels of deprivation, poor health and low prosperity. Regeneration over the last ten years has seen the remodelling of the borough leading to huge improvements in the physical appearance. The next phase will be to consolidate this, through major projects scheduled for the Mersey Gateway and the Widnes Waterfront. This will also carry increased emphasis on adding social value for residents, for example on employment opportunities for local people with new employers moving into the borough. For example, contractors for the Mersey Gateway submit Employment and Skills Delivery Plans that set out intentions on skills and training, as well as community benefits and regeneration.

There is also continuing work to adjust the balance of the housing market that currently has a high 25.7 per cent of social housing (compared to the North West average of 18.5 per cent) so that there is more intermediate and market housing for residents and to attract workers who work in the borough to also live there.

The council has set up the Halton Housing Partnership with housing providers to look at working together to provide housing solutions. An example of the practical benefits of this is the work conducted on disabled adaptations. There was a backlog of adaptations that was causing difficulties for residents in need of these works and contributed to 'bed blocking' in hospitals. The council made a commitment of £400k per annum, matched by the Halton Housing Trust, which led to the adaptations backlog being cleared.

The financial pressures in recent years have required the council to achieve savings from organisational restructures, improved procurement and efficiencies. Efficiencies have been delivered by an Efficiency Programme Team, with this supervised by a Business Efficiency Board. This uses a model developed by KPMG in 2008 that looked at service current

position, business process engineering and moving to future state. This programme has delivered savings of more than £12m since 2010. However, it is important to note that this model was established on the principle of realising the opportunities for improvement and efficiency and not transformational change.

Effective although this approach has been it will not be sufficient to address the financial pressures looming for the three year period 2014-15 to 2016-17 where there is a funding gap of £46m+. This gap presents a major challenge to the council on how it repositions itself, with greatly reduced resources, to the community it serves. The council recognises that as part of this shift it will need to manage community expectations so that over time individuals, families and communities might take on more that has been traditionally provided by the council.

## **The recent journey**

### Local context and priority setting

Pride of place is very strong in Halton. Officers, Members and the public have a clear understanding of what the area used to be like and how much the environment has improved in the last ten years. There is pride in what has been achieved within the council, and pride that the council has delivered this for its community.

The council is recognised as having led regeneration over last 10 years which has transformed the physical environment of Halton. External partners are clear that this drive for regeneration was led by the council and that without that this would not have been achieved.

As well as physical transformation, the council has been key to delivering social value. This is evident with a range of initiatives, for example the Halton Employment Partnership, which includes Job Centre Plus, Riverside College, the Skills Funding Agency and other partners, and initiatives to encourage major local employers to recruit local people. The council has clearly set out a priority to address high levels of deprivation in the borough and regeneration has been viewed as a principal means for creating increased prosperity, employment, improving health and social value for local people. This has been supported by high performing Children's, Adults and environmental services.

The next phase of the regeneration strategy sets out priority schemes, for example the Mersey Gateway bridge and articulates a holistic approach linking people to skills and jobs. Halton Borough Council (HBC) is regarded very positively by the community and partners and is in a strong position to build on this to assume a prominent role in the wider region. This will be particularly the case with the strengthening relationship with the Liverpool City Region Local Enterprise Partnership (LEP) and the proposal that the six Merseyside councils establish a combined authority from April 2014 to focus on transport, housing and economic growth/regeneration. The Mersey Gateway and 3MG are recognised as key elements in the LEP's regional strategy for growth, in particular for supporting the development of the superport.

However, the relative importance of council priorities in a very challenging financial context are not clearly described or shared. The council's Corporate Plan 2011-2016 sets out twenty-four areas of focus. This is a large number of priorities which, from talking to staff

and partners, were not consistently and universally well understood. They are also not ranked by importance with the risk that all areas of focus carry equal importance and a claim for resources. The view of the peer team is that not all priorities can be important – some will be more important than others – and that such a large number will almost certainly not be achievable in the increasingly difficult financial climate for Halton and local government.

This is increasingly an issue for the council when it has historically led a wide-ranging programme of service provision to high standards that will not be sustainable in the future financial climate. In sharpening the focus of council priorities the following questions should be considered. Are all priorities equally important or do some carry more urgency? With the large amount of current activity what would the council stop doing? In the future will continuing to sustain frontline services be more important than some other priorities, for example economic growth and health?

The view of the peer team is that continuing to be good at and to do everything will not be possible. The council will need to choose what it wants to be good at with a refocused role and a tighter set of priorities. This will require a reframed Corporate Plan and priorities and, similarly, a review of the Halton Sustainable Communities Strategy.

At the same time it will be important to help communities and service users, to understand the challenges ahead and realign their expectations. The Customer Intelligence Unit that leads on council consultations should have a key role in this, as should the Locality Area Forums.

Successful transition to a new way of working will require a strategy for engagement that includes:

- reducing high levels of demand for council services, particularly Adults and Children's, by supporting more people to be independent and self-reliant. This could mean significantly scaling-up investment in evidence-based early intervention and prevention activities that reduce downstream demand. This is in the context of a £65m current spend on Adults and Children's, but the overall net revenue budget expected to reduce from £115m to around £90m by 2016-17.
- the council working to understand what are its core and non-core services, with the latter either being provided by alternative means, reduced in scale or ended
- a conversation with a range of partners, including communities, on alternative forms of delivery, for example transfer of assets, commissioning of services, shared and integrated services, mutual and community/voluntary sector delivery vehicles etc.
- engagement with communities on service priorities and expectations and review of the public service contract as it has been traditionally understood. Members will have a key role in such community engagement.

Transformation will be important to recast local government services so that new delivery models not only achieve the longer-term savings needed but also renegotiate the public service contract of services to customers, residents and communities. In the new world of local government the role of the council will be more enabling and facilitative.

## Management and political leadership

The Leader and Chief Executive at Halton are respected and trusted by staff, Members and external partners. It is an important relationship that has delivered a significant programme of service delivery to meet the needs of residents and businesses.

In addition the Chief Executive and senior team have a strong reputation for delivery and ambition for the area. Partners were not only highly positive of what the council has achieved but acknowledged that without the council this could not have happened.

The council is ambitious and this has driven the agenda in recent years so that it can make a positive difference for its residents and address the issues of community deprivation. It is acknowledged that not only does the council lead on this agenda but it is able to punch above its weight locally and regionally. This is confirmed by the high regard that partners have from their dealings with the council and what it has achieved. One partner stated that, "you've got to admire their drive, their vision and their initiative."

The council role on leading is widely recognised with one typical quote stating that the council has been "absolutely instrumental in making that happen". This also extends to the wider area where the council faces both to Liverpool and Merseyside to the west and to Cheshire and Warrington to the south and east. Regional partners are highly positive about the energy and commitment of the council that is brought to regional working.

The strength of the council's ambition is founded on a bedrock of "local political leadership [that] is stable and rooted in the community". The understanding of deprivation and its effects has provided a strong drive for the council to direct its attention to these issues and is supported by the political will to support local firms and win business for the local area.

Although the significance of the financial challenge facing the council is acknowledged this is understandably uncomfortable for a council that has delivered so much in recent years for its community.

With the strong record of achievement the maxim 'We can do anything, but we can't do everything' is an accurate description of the position that the council is moving to. Uncomfortable as this undoubtedly will be for the council it will be necessary for difficult choices to be made. Simply put, future funding means that current levels of delivery will be unsustainable.

This will have implications. First, it means that the council will have to scale back on its programme of delivery and the breadth of its ambition. With its understanding of local need and its record of delivery there is an understandable reluctance to cut back. Second, it will require a very different style of working and role for the council. This will be a role and style that has not yet been articulated but will certainly be very different to the high level of council delivery seen over the last ten years.

To address this there is an urgent need for a detailed plan and work on this should begin now. This will require strong and clear political and managerial leadership.

The peer challenge team believe that the financial landscape will need to be attacked with the same ambition as shown in relation to the regeneration of Halton. However, the council

has a number of advantages in its favour. There is no question that it is building on a position of considerable strength on what it has achieved and the great deal of respect from partners for this. The focus therefore will be to reposition the council and redefine its community leadership role for a new set of circumstances.

This also makes it a timely opportunity to review the Corporate Plan to reset priorities that demonstrate continuing ambition for the 'place' of Halton but reframed in light of reduced financial resources. This could also accommodate a shift from a delivering to a more enabling culture.

### Financial planning and viability

The council has done well in recent years to manage the significant reduction in Government core funding, a reduction of £40m since 2010, without detriment to frontline services.

It has successfully met the challenge of savings that have been required, for example the restructures, an efficiency programme, procurement gains, review of front-line services and shared services. The efficiency programme has generated savings of more than £12m since April 2010. The council has established an External Funding team that has successfully attracted funding to both supplement service delivery and to support external community programmes. This work has drawn in more than £17m between 2004-12.

Strong inward investment on regeneration and growth underpinned by willingness to take risks and utilise innovative financial models, for example Local Asset Backed Vehicles (LABV) used to establish the Widnes Regeneration Limited; joint venture, as at Sci-Tech Daresbury with Langtree plc and the Science Technology Facilities Council; and Tax Incremental Funding (TIF), as at Sci-Tech Daresbury where borrowing for infrastructure was based on an anticipated business rates uplift from investment made.

The council has adequate reserve levels; sound accountancy practices and good control of in-year spend with auditors describing the council as having "good arrangements in place for securing financial resilience."

However, like most other councils, there is a growing funding gap. The Medium Term Financial Plan (MTFP) identifies a £46m+ financial gap for the period 2014-15 to 2016-17, representing 26 per cent of the council's gross expenditure budget. This could be greater depending on the use of one-off savings in 2014-15 that that would need to be found again in 2015-16.

The national issue of uncertainty on Business Rates could exacerbate the funding gap. Business rates will form an increasingly vital funding stream but there are significant factors that can impact on this, for example slower than anticipated business growth, over-estimation of the proportion of business rates retained, and potentially business closures.

This figure of £46m+ represents the most significant financial challenge for the council to date and can be fully appreciated when set against the net revenue budget of £115m for 2013-14. Furthermore it is generally acknowledged that one off and incremental savings and the current efficiency programme will not deliver what is required. What will be

required will be a transformatory approach that seeks to reinvent the council in light of massive financial pressures.

It will help the council to move to a holistic multi-year budget review based on refocused priorities and revised expectations. In particular this longer-term approach would mark a shift from the current approach that has focused on making a budget year by year in "bite-sized chunks".

Although the real financial pressures are understood to impact for 2015-2016 the peer challenge team emphasise that this work should not be postponed but should start now. The plan to bridge the funding gap will need to have financial targets and milestones with shared ownership and clear accountability to ensure that the plan is successfully delivered.

The detailed longer-term plan to deliver this could include the following, some of which have already been identified by Halton, but have not yet been developed into a multi-year, holistic plan across the authority:

- consideration of the additional contribution of economic growth and use of assets to address the financial gap. For example, economic growth can be an important lever to grow business rates, to build the council tax base and the use of assets may be able to generate an income stream.
- reform and transformation: consider how to manage and reduce demand pressures, beyond just meeting existing levels of demand more efficiently. Particularly so for Adults and Children's Services, with these expected to increase with an ageing population (the over 65 years anticipated to grow by 26 per cent by 2021) by investing in interventions that will reduce future demands on resources
- additional income generation opportunities including, but not limited, to the selling of high performing services to other councils
- alternative delivery models; building capacity in communities, commissioning partners to deliver services etc.
- reducing/stopping delivery of lower priority services.

The council has adopted an approach to more closely monitor its contract arrangements. However, it will be vital to have more robust contract management arrangements to control and reduce costs. With a total cost to the council of £74m+ for third party services there will be opportunities to review current contractual arrangements to obtain sizable savings.

### Working in partnership

The council has a strong and valued reputation for partnership working across all sectors – "it's in our DNA". It is viewed as getting things done and seen as "trusted partner". The approach has been positive with the council viewed as leading on partnership working with its approach described as an "instinct to control but willing to collaborate".

This includes innovative shared service arrangements, for example the shared Director of Children's Services role with Cheshire West and Chester Council – the first in England - and the procurement service offer extended to local businesses and other councils. This

work has been recognised nationally, for example one of the 'Best councils to do business with' award from the Department for Communities and Local Government in May 2013.

It also includes strong working links with the voluntary and community sector (VCS) with good examples of effective work. One of these was Power in Partnership (PiP) which is working with young people not in employment or training (NEETs) who have been working with the council and housing trusts for young people to clear the gardens of void properties. This speeds up the reletting process, increases the rental income stream for housing trusts and gives the young people NVQ level qualifications for horticulture and employability. There will be an opportunity for the council to build on its partnership working with the VCS through the successful joint council and Clinical Commissioning Group (CCG) bid to take part in the Delivering Social Value in Health Programme, only one of four localities in England selected. This programme is looking at area based partnership working with local voluntary and community and social enterprise.

The peer challenge team felt that the strength of these working arrangements could be enhanced further by a VCS compact being agreed and the council establishing a VCS forum to facilitate discussions on future partnership working.

The council has achieved innovative working arrangements with the co-located Halton CCG and with its public health team, including the Director of Public Health. This has a pooled budget of circa £35m, with the opportunity for this to be made larger in the future, and working arrangements structured by a Memorandum of Understanding. This is supported by the Halton Health and Wellbeing Board, chaired by the Leader of the council, and is reported to be working well.

There are excellent partnership working arrangements with private sector linking physical renewal and people so that Halton people benefit from growth. The Halton People into Jobs offers tailored support to unemployed residents to improve their skills and employability for example, Tesco and Daresbury. The experience of Tesco's distribution centre at 3MG involved the Halton Employment Partnership (HEP) making a 'complete employment offer' to Tesco and led to 377 new employment starts with 75 per cent of these being Halton residents. At Daresbury there is a Skills Strategy Group to consider future skills and employment needs and the HEP is supporting Sci-Tech, Daresbury with recruitment.

Another quote was that "the council is business focused and delivers". For example, the Work Programme contract for Halton is delivered by Ingeus and A4E with both subcontracting 50 per cent of this to the council's Halton People into Jobs, with the council effectively delivering 75 per cent of the Work Programme. The HEP brings together expertise from various employment learning and skills development agencies to support inward investment and offer a 'complete employment offer'. A Business Improvement District (BID) has been established at Astmoor industrial estate which allows estate improvements to be made with funding from an additional levy on non-domestic rates.

Another example is the procurement team's work with small, medium enterprises (SMEs) and the use of the Chest E-procurement system has encouraged local SMEs to tender for council services and, at the same time, has made the process more streamlined through being risk based and proportionate to the procurement contract.

The council enjoys a strong relationship with the Liverpool City Region LEP and is a highly regarded partner. This relationship will be important for continuing growth and regeneration for Halton and the region.

The LEP is based on the former Mersey Partnership and has longstanding partnership working arrangements that stand it in good stead. The six council members have recently agreed to progress to the creation of a combined authority with a focus on transport, housing and economic development/regeneration. The Chief Executive is the LEP lead on transport and is well regarded, for example on influencing the Department for Transport on the Mersey Tram project. The council is highly supportive of the LEP priority of a superport to become a national and international logistics hub, which will need the transport access provided by the Mersey Gateway and from which the council would gain from expanded use of 3MG.

Building on a strong base there is an opportunity for the council to take partnership working to the next level. It would be beneficial to reconsider the council's role and relationships with partners and to focus time and resources where partnership working adds most value in light of revised and shared community priorities.

A review of current partnership arrangements could involve:

- a review of current partnerships and the cost/resource inputs against benefits/outcomes
- taking a longer-term view on Halton's strategic role in the region and partnership implications from this
- beginning a dialogue with partners on the future needs of the community and what partners might contribute to, and where they might lead, with the council assuming a more enabling role
- considering how to work with partners on a jointly owned programme of public service reform, which can develop new models of investment across organisational boundaries in interventions and programmes that reduce demands on services
- assess the future role of the Halton Strategic Partnership Board to supervise partnership activity across Halton, in particular the Specialist Strategic Partnerships
- consideration on how the council continues to have a leading partnership role for the borough, as community leader and the only partner with a democratic mandate, under new partnership working arrangements.

In this new environment it will be important for the council to clearly state the impact of forthcoming financial pressures and what the consequences of this might be. Many principal partners will be signed up to the community priorities currently set out in the Sustainable Community Strategy and the lead role of the council to deliver on these. Such a dialogue could shape a working rapport that can support discussions on new ways of partnership working, including: supporting the VCS and community delivery of services, pooled budgets and new models of collaboration.

Taking partnership working to the next level would involve redefining the council role so that control and direct delivery is exchanged for influence and enabling others to deliver instead. The council recognises this opportunity and is prepared to consider supporting social/community enterprise to obtain the skills to make the transition. The principle of

helping partners do more so the council can do less will be an important future model and is one that the council has already begun, for example where the council was the lead partner for Daresbury this has now been taken on by Langtree.

### Capacity

The council benefits from well-motivated, well informed staff who are encouraged to be engaged in shaping and designing future services. This is supported by an acknowledgement by staff and Members of the financial pressures and the need for new ways of working.

There are strong working relationships between officers and Members based on trust and mutual respect. Staff have pride in the council's record of achievement over the last 10 years and understand the need for economic growth and regeneration to address the longstanding social, economic and environmental aspects of the borough. The personal style of the Leader sets the tone for the council. This pride and record of achievement has contributed to confidence in the management team and Members to lead the council in to the future.

It was evident to the team that the council enjoys a shared organisational ethos, pride and values across staff, management, Members, unions and partners and that this provides a supportive working environment. This is consolidated by good staff development and mentoring programmes and the council's award of the Member Development Charter.

Staff know each other and recognise the pressures each is facing and are prepared to help. This is reinforced by low sickness absence rates of 4.13 per cent (excluding school based staff)

The council is making good use of IT to improve efficiency, for example the move to paperless meetings and on-line payments. This will be important to support the generation of additional capacity in the future, for example channel shift, Agile working, home working and network access and data inputting when away from the office.

To get to a new council position on priorities will need space and time for the management team and the Executive to focus on the big picture. The focus of the council has been on delivery but with the need to reposition the council, in light of greatly reduced resources, will need management team to address the strategic and corporate leadership challenges by creating some opportunities for dedicated time away from day-to-day business. This space has not been readily available, or necessarily required until now, but does need a shift from doing, to thinking about the future and what this it might look like.

Part of the repositioning of the council will require staff to see cuts not only impacting on capacity but also as a corresponding reduction in community and partner expectations. This will be important as recent staff restructures have clearly taken capacity out of the organisation.

Based on a new set of council priorities and a redefined role:

- Members will need to make some difficult decisions about where the council needs to reduce and/or refocus the workforce
- the workforce strategy will need to ensure that employees have the necessary skills for future ways of working.

### Governance and decision making

The seven Locality Area Forums and thematic forums have potential to contribute to community engagement. They are currently supported by a combined council budget of £600k that generates additional external funding of £0.5m. However, this potential needs to be realised so that the forums can assume an increasingly important community leadership role in the future. It would be beneficial to undertake an assessment of what is currently working well, what could be improved and future role of the forums within a repositioned council.

The six week turnaround to determine major planning applications is impressive. For example, the recent application for Tesco at 3MG, required a huge resource commitment from the council to achieve this deadline. The council understood the benefit to be gained from this and put resources to the task. This shows that the council is 'open for business'.

The council is risk aware on infrastructure investment and social gain. For example on 3MG the council obtained grant funding of £5.4m with the proviso that where there is no end user by the end of 2014 the council will be required to repay this funding. Similarly the Mersey Gateway bridge where any shortfall in projected toll income would be borne by the council. The ambitious risk aware approach is also exemplified by the council's early land acquisition for this project funded from council borrowing. DfT grant is expected to repay this and the council will make a contribution towards construction costs when this begins in 2014, financed by prudential borrowing, with financing costs met from future toll revenues and DfT grant.

The six Policy and Performance Boards (PPBs) Chairs work well together meeting several times a year to ensure a coordinated approach. However, this work does not appear to be always progressed in the context of financial and other constraints and its value in supporting decision-making and improving outcomes may not be being maximised. For example, the recent in-depth work on the night time economy included a set of recommendations that were unlikely to be implementable due to cost or other constraints. This suggests that PPBs need more advice on service and review parameters before expending energy on a review. PPBs could assume a more focused and constructive role that would help the council through a difficult period that lies ahead.

The detailed level of reporting to the Executive and PPBs is resource intensive and can be duplicative and stifle debate on strategic issues. For example, there is a large quantity of report writing and paper hard copies going to Members, for example a recent Environment and Urban Policy Renewal PPB weighed in with a set of papers 217 pages long, with this being typical from what the peer team saw. It may be worth considering a review of the costs in time for writing such detailed reports and the printing/distribution costs to get these to Members. As some decisions would appear to be portfolio specific, as opposed to strategic business for the Executive, the Executive may also wish to consider implementing a delegated scheme of decision making to individual portfolio holders and increasing delegations to officers. This would have the potential of offering

more space for the Executive to concentrate on medium- and long-term strategic planning.

At the same time the peer challenge team believe that the decision making process could be made smarter by permitting PPBs to scrutinise before matters are presented to the Executive. The PPBs could examine the Executive Forward Plan and agree significant areas of policy advice work, with the Executive, which could then be passed to the Executive to aid its deliberations and decision making. This would have the benefit of engaging the PPBs in activity that is of current and emerging importance to the council and add value to the Executive through a more advisory and 'overview' function.

It will be important for PPBs to be made aware that they are part of the process to help the council work through what will be a difficult period ahead.

The shared ownership of outcomes may benefit from being better shared across the Executive and PPBs. Much performance management reporting that the team saw was inevitably managerial and comprehensive, but perhaps failed to capture the essence of what a 'Councillor Scorecard' might contain and what the Members would wish to see reported to aid them in their governance role.

There were positive examples of the council and its partners making tough decisions about relative priorities. For example, working with health partners, to move from eleven priorities identified in the Joint Strategic Needs Assessment to five key priorities in the health strategy – preventing cancer, falls reduction, mental health, child development and alcohol misuse.

Risk management needs to inform strategic decisions beyond specific projects. The risk register should be regularly reviewed and actively used to inform decisions with more precise risks identified at a corporate and strategic level.

### **Moving forward - suggestions for consideration**

Based on what we saw, heard and read we suggest you consider the following actions to build on the council's undoubted successes. These are things we think will help you improve and develop the effectiveness and capacity to deliver your future ambitions and plans.

1. Refocus the council's corporate vision and priorities leading to a clearly understood and shared set of priorities, possibly using different scenarios, to describe the council and its role in the future. The guiding principle should be to choose what the council wants to be good at in the future, that can be resourced, and to make the distinction that some priorities will be more important than others. Independent facilitation may be beneficial in this process.
2. To manage the transition to the new operating model it will be important to help staff and Members to understand future challenges and to reset expectations
3. Begin work now to develop a detailed plan that sets out the transition steps the council will take to the new operating model. This will require strong and clear political and managerial leadership'

4. The management team and Executive need dedicated space and time to focus on developing this plan
5. Conduct work to understand what will be the future core and non-core services and from this delivery options there might be considered, particularly for the latter
6. The Medium Term Financial Plan to respond to the looming funding gap by a combination of longer-term, holistic financial planning based on refocused priorities, and revised expectations. This would mark a shift from finding incremental efficiencies in individual service areas and has focused on making a budget year by year.
7. Based on a new set of council priorities and a redefined role: Members will need to make some difficult decisions about where it needs to reduce and/or refocus the workforce; and the workforce strategy will need to ensure that employees have the necessary skills for future ways of working.
8. Take partnership working to the next level by redefining the council role so that control and direct delivery is exchanged for influence and enabling others to deliver. The principle of helping partners do more so the council can do less will be important.
9. Strengthen partnership working arrangements with the voluntary and community sector (VCS) by establishing VCS and a VCS forum to facilitate discussions on future partnership working
10. Review the Policy and Performance Board (PPBs) role to scrutinise matters before they are presented to the Executive. It should also ensure that the work of PBBs is always progressed in the context of financial and other constraints and its value in supporting decision-making and improving outcomes maximised. It will be important for PPBs to be made aware that they are part of the process to help the council work through what will be a difficult period ahead.

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.

### **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 particular the LGA is able to offer up to twelve days of Productivity Expert programme support, information on this will be provided to the council.

We would also wish to offer an improvement and prioritisation workshop to the council to take place some time after this letter is received by the council. I look forward to finalising the detail of that activity as soon as possible.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. Gill Taylor, Principal Adviser is the main contact between your authority and the Local Government Association. Gill can be contacted via email at [gill.taylor@local.gov.uk](mailto:gill.taylor@local.gov.uk) (or tel. 07789 512173) and can provide access to our resources and any further support.

In the meantime, 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.

Yours sincerely

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On behalf of the peer challenge team:

- Jane Robinson, Chief Executive, Gateshead Council
- Councillor Tudor Evans, Leader of Plymouth City Council
- Philip Lloyd-Williams, Director of Corporate Governance and Monitoring Officer, Solihull Metropolitan Borough Council
- James Binks, Strategic Lead (Public Service Reform), Manchester City Council
- John Wright, Finance and Policy Directorate (including public service reform), LGA

**Appendix 1** – Feedback slides

**Appendix 2** – Signposting note