



# Corporate Peer Challenge **Nottingham City Council**

15<sup>th</sup> – 19<sup>th</sup> May 2017

Feedback Report

## 1. Executive Summary

Nottingham City Council (NCC) is an ambitious council with an impressive track record of enterprise and it delivers on its stated priorities. These are unequivocally politically driven and permeate across and down the organisation: councillors and officers talk with confidence about the council's key areas of focus and their roles in delivering them for the benefit of their residents and the city. The programmes designed to promote cultural change including Citizens at the Heart, Great City and Great Council are widely understood within the organisation.

NCC benefits from strong and stable leadership at both political and managerial levels. There are good working relationships based on trust between the Leader, Deputy Leader and Chief Executive. Positive and healthy working relationships between councillors and officers are evident, from what both say about each other, as well as in behaviours we observed onsite. There is a can-do culture which means that council is willing to fix problems for its residents.

The council manages to support its localities as well as recognising the economic importance of the city, with neighbourhood working being a real strength and shown in high satisfaction ratings from residents. At neighbourhood levels the council's elected members and officers are well organised, visible and have impact. Tackling inequalities is a strong theme of its strategies and delivery.

At strategic level it has played a key leadership role both for the city itself and its neighbours: the complexities of undertaking this role should not be underestimated in a two tier area and the absence of a mayoral devolution deal has not been for a lack of effort from the city. Nottingham's tight physical boundary means that it faces challenges in economic growth terms because compared to some other core cities it does not have control over its full economic area.

Utilising its leadership further Nottingham is well placed to lead and seek a revised deal for devolved powers in the region and have strategic level conversations with government about what's next following the deal which stalled during 2016. Neighbouring and nearby local authorities genuinely look to Nottingham to lead on its behalf and for the council to develop its convener role further on behalf of its businesses, its neighbours and their businesses.

In addition to this convener role, Nottingham's purpose within the city region would benefit from clarification. The city has fallen down the retail rankings in the UK as other shopping destinations have risen up the scale, and cities nearby have redeveloped their centres to attract visitors for retail and leisure spend. There is further scope for Nottingham to be the undisputed prime destination for the region, but in order to achieve this the council will need to invest in the city centre; develop a clearer vision for the city; build stronger links with its many large businesses; and commission an independent economic plan to identify key growth sectors that are well placed to thrive in Nottingham and the East Midlands in order to help better inform and target inward investment activity.

There are significant risks emerging in this year's budget which need more attention: the £10m Strategic Transformation Plan (STP) gap; Children's Services' and Adult Social Care costs are increasing; and the city centre Broadmarsh/Southern Gateway regeneration scheme which will be agreed later this year. These pressures produce large scale risks which are not wholly within the council's control to manage. They should be re-evaluated to ensure that current approaches are the right ones to maximise benefits and mitigate both current and future costs.

There is visible and passionate commitment across the organisation to care for its citizens, reflected in problem solving for its communities which has resulted in high levels of public satisfaction. However this may also have inadvertently created a culture of dependency whereby residents expect the council to provide extensively for them. In the long term this is not sustainable either on a financial or community capacity basis.

The council is now at a crossroads. If its track record of success to date is to continue then it needs to do things differently because it cannot carry on doing things in the same way when the external environment and financial context for local government continues to change.

It needs to begin to work more extensively with others and to become more comfortable about sharing leadership and allowing others to lead on its behalf. It will need to work with schools to continue to improve educational attainment of the city's children; it will need to work with health partners and the third sector to develop a more sustainable model for adult social care; and it will need to work more with large businesses and partners to achieve more economic growth and investment for the city.

## **2. Key recommendations**

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the council:

- Continue to develop your convener role as the leader of the city to better deliver your political priorities. Future success will depend on further influencing other partners that the council has not engaged with as effectively as it could. This includes health, schools, businesses and the third sector. Make greater use of the STP, Economic Growth Forum and other mechanisms to engage further
- Articulate a clearer Nottingham narrative as the regional capital
- Work with partners to develop a local growth strategy and seek devolved powers and funding from Government
- De-risk this year's council budget, especially around the £10m health STP, Children's Services' pressures and the Broadmarsh redevelopment scheme
- Planning the budget over a longer time frame and undertaking more detailed financial planning should have increasing precedence, especially in addressing the viability of social care
- Shape your own vision for health and social care integration which secures the best deal for Nottingham residents, based on your neighbourhood model

- Produce a scheme of delegation that reflects your good member-officer working relationships
- Consider succession planning across all levels (political and managerial)
- Produce a digital plan for the council and the city that enhances the ICT infrastructure, increases self-service provision for those who want it and addresses digital inclusion
- Report performance data about statutory services openly and at all levels

### **3. Summary of the Peer Challenge approach**

#### **The peer team**

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 Nottingham City Council were:

- Tom Riordan, Chief Executive, Leeds City Council
- Cllr Nick Forbes, Leader of the Council, Newcastle City Council
- Cllr Sean Anstee, Leader of the Council, Trafford Council
- Stuart Cowley, Director of Adult Social Care and Health, Wigan Council
- Gena Howe, Chief Officer, Glasgow City Council
- Hannah Sampson, Programme Officer, Nottinghamshire County Council
- Judith Hurcombe, Peer Challenge Manager, Local Government Association

#### **Scope and focus**

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. 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?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider feedback on:

6. Where is Nottingham an outlier on spend or efficiency? And, linked to the second point, are the Council's performance management arrangements effective?
7. While the challenge will not be a detailed examination of adult social care, the CPC will have a high level look at the approach to the care, health and wellbeing of older people, the level of spend and the outcomes being achieved
8. Are the Council's systems and processes bureaucratic or appropriately streamlined – or perceived to so be?
9. In terms of the Council's transformation journey: how embedded is the "driving purpose" of the citizen being at the heart of everything the Council does; and is the "good to great" journey maximising its potential?

### **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. The process is not designed to provide an in-depth or technical assessment of plans and proposals. 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 4 days onsite at Nottingham City Council in May 2017, during which they:

- Spoke to more than 90 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 45 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 300 hours to determine their findings – the equivalent of one person spending more than 9 weeks in Nottingham

This report 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 on 19<sup>th</sup> May 2017. 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.

## 4. Feedback

### 4.1 Understanding of the local place and priority setting

There is a clear golden thread of Safe, Clean, Ambitious and Proud running between the majority political group's manifesto and intentions: strategic priorities are clearly stated and communicated through the Council Plan 2015-2019. They include the five key objectives of:

- Ensuring every child in Nottingham is taught in a school judged good or outstanding by Ofsted
- Building 2,500 new homes that Nottingham people can afford to rent or buy
- Cut the number of victims of crime by a fifth and continue to reduce anti-social behaviour
- Tackled fuel poverty by setting up a not-for-profit energy company to sell energy at the lowest possible price to Nottingham people
- Guarantee a job, training place or further education place for every 18 to 24 year old

NCC's members and officers have a good understanding of the needs of its communities. Internal stakeholders are able to articulate these priorities readily and easily.

The Council Plan focuses on 10 key themes and delivery is impressive, considerable and visible across the city. The council has a long track record of achievement reflected in wide reaching and numerous delivery, and a small sample of these includes:

- High levels of satisfaction from citizens as recorded in the 2015 citizens' survey, including 85% of respondents being very or fairly satisfied with their local area and 70.6% satisfaction with the way the council runs things
- Expansion of the Nottingham Express Transit (NET) tramline network with two new lines opened in 2015, effectively doubling the size of the network
- A reduction in overall crime levels of 16% since 2011 and a reduction in antisocial behaviour calls to the police of 6% between 2015 and 2016
- The creation of the UK's first council run not-for-profit energy company Robin Hood Energy launched in 2015
- Enviroenergy is the largest district heating system in the UK supplying 4,700 homes and 100 businesses

The strong focus on neighbourhood working targets the physical environment, crime, traffic management and parks. The council is highly visible in its communities and its success in local service delivery is reflected in very high levels of residents' satisfaction with their local area as a place to live. This success is not widely known outside of Nottingham, but is a real strength.

Ofsted's most recent inspection of Children's Social Care gave an overall rating of good and particularly highlighted the council's vision for Children's Services and strong political support. It also identified the creation of the integrated children's directorate as a key

factor in the council's success, as well as describing the wide range of early help services for children and families as "effective".

Financial pressures are beginning to grow in children's and adults' social care, reflected in particular by the overspend at the financial year end 2016-17, the first instance of NCC not turning within budget for five years. Current and future demand pressures, coupled with a diminishing budget means that further action is needed at a strategic level if the council is to manage its resources. Revisiting corporate budget setting and taking a renewed focus on demand management is required.

The STP is as complex in Nottingham as it is in other councils and as with other local authorities its success will require working with health partners in a different way. Governance including decision making arrangements and how the system shares risk will be challenging as the STP footprint is bigger than the confines of the city's geography. Paying attention to relationships with health partners and developing the approach with longer term goals in mind will be important factors in future success.

## **4.2 Leadership of Place**

Priority setting with a community focus is the manifestation of the council's intention of Putting Citizens at the Heart objective. Delivery in this area is a real strength that few other places appear to have achieved. This focus and visibility in neighbourhoods has generated a great deal of learning and experience that could be applied and extended to develop a new community based social care model.

Relationships across the city region are generally good although Nottingham is in the midst of complex geography and layers of local government. Despite the collective best efforts of NCC and its peer councils in the region the N2D2 North Midlands devolution proposals for Nottingham, Nottinghamshire, Derby and Derbyshire stalled during 2016. Despite this, NCC and Derby City Council launched the Derby and Nottingham Metropolitan Strategy 2030 in April 2017 and building on this could help to bring about greater influence at national level on future proposals for growth through further devolved powers. Consideration should be given to working more closely with leading businesses and employers so that they too can make the compelling case on behalf of any future combined authority arrangement.

The council works well with the police to tackle crime across the city, reflected in a wide range of outcomes. The restructuring of policing across the city during 2016 has caused tension and concerns that this will have a detrimental effect on crime. Care needs to be taken to ensure that working relationships are nurtured so that successes in this area are able to continue.

The council has ambitious plans to maintain its position as the "go-to" destination for the region through schemes such as the Broadmarsh shopping centre and Southern Gateway; the Eastside mixed use redevelopment and the Heritage Lottery Fund grant of £13.9m for Nottingham Castle. These schemes will undoubtedly make an impact but there is a need to build on this work to further develop the city centre as a "go-to" destination for a range of shopping, cultural, social and other activities. The council is already working strategically with a number of partners and agencies, notably Blueprint,

and needs to continue this to firmly establish Nottingham as the undisputed regional capital.

Work on the city deal has had some impact and could be enhanced further by exploring linkages and alignment between sectoral plans, the city's spatial strategy and how key assets such as Nottingham's universities and transport hubs can be capitalised on even more. Learning from other core cities may be beneficial in helping to make progress.

Despite the progress that has been made on improving educational attainment over the last decade, the city still has education and skills hurdles: NCC is well-placed to work more closely with employers to find solutions. Refreshing the Economic Growth Board which last met in 2015 would help to bring businesses together to address those challenges.

In accordance with the greater role we think the council can play as convener, it can do more to bring key players together for the benefit of the city. Relationships old and new need to be enhanced and refocused, and whilst continuing to collaborate with others, in some instances the council should consider stepping back and encouraging others to lead: the council does not have to steer everything in order for the city to be successful.

### **4.3 Organisational leadership and governance**

There is strong and visible leadership from senior councillors and senior officers at Nottingham City Council, and this is widely recognised both inside the council and externally. The Leader and Deputy Leader are both singled out and praised for their clarity of purpose and sense of ambition for the city and its residents. Councillors are able to balance city-wide interests with street by street levels of detail.

The leadership of the Chief Executive is widely recognised and the Corporate Leadership Team works well together. The council is a professional, corporate and well run organisation.

NCC employees are motivated and show strong loyalty to the council. Communication with them is excellent and contributes to employees feeling informed and identifying with the values of the administration.

However there are high levels of internal control which can be a barrier to staff being more innovative, in particular through the scheme of delegation's procedures relating to expenditure. Although the scheme was reviewed 2016 it should be revisited to ensure that it does not create unnecessary levels of bureaucracy, or restricts the ability to be more creative and innovative in service delivery.

Despite the achievements that have been made the senior members and officers of the council are keen for the council to continue to improve across a wide range of issues including:

- Key Stage 4 educational attainment
- Improve air quality
- Tackle the health inequalities in communities

However the external environment for NCC and all councils continues to change. This combined with internal pressures, means the council needs to begin to work differently, and with a different emphasis on influence rather than controlling the agenda and how things are done across the city.

#### **4.4 Financial planning and viability**

Between 2010/11 and 2016/17 the council achieved budget reductions of £204m, and a further £54m reduction is required to deliver balanced budgets between 2017/18 and 2019/20. The proposed general fund reserves balance for 2017/18 is £11.6m and earmarked reserves at March 2016 were £176.9m. The council is a top-up authority for business rates retention. Its high numbers of Band A properties and tight city geography means that the scope for significantly raising revenue through council tax increases is limited when compared to some Core Cities and metropolitan councils. Despite these challenges redundancies both from compulsory and voluntary means amount to fewer than 400 job losses in total over the past 5 years. The council has handled the challenges and impact of austerity with great sensitivity for staff and residents.

The focus on commercial and enterprising income generation has helped to create a positive, almost unique culture where there is a clear focus on getting the best out of what is available, and “cuts” are rarely used to describe the council’s approach. The extent of the commercialisation is impressive and results in around £22m of income generated each year. Other councils can learn a great deal from this approach.

The council has developed in-house expertise in generating a revenue stream from property acquisitions, based on fixed cost borrowing. In 2016/17 this generated £2.8m of income which reflects a return on investment of 7.4%.

Brexit has created concerns about the loss of European funded projects and its impact on the city, which has received over £30m of funding since 2010. Proposals in the pipeline are to improve skills and employment or to reduce the city’s carbon footprint are mainly through the European Social Fund and the European Regional Development Fund, and amount to over £13m.

To date the way NCC has managed its budget has been exemplary and has served it well. There is a clear vision for the council which involves some large scale projects to which the council is clearly committed. However, there are also significant risks in this year’s budget that need careful managing and mitigating, particularly rising social care costs and demands. Officers are becoming increasingly concerned about the council’s resources, and although the council’s success rate in generating income is good, there is also acceptance that it will not be enough to bridge the gap in the council’s future years’ budgets.

Another key issue is the established practice in NCC of annual budgeting in combination with medium term financial planning. This approach has worked well to date, but the emerging overspends and scale of further budget reductions, combined with concerns about managing risk, mean that planning the budget over a longer basis

should take greater precedence. This is recognised and being actively worked on by the council. To outsiders as well as to staff it is difficult to see how and when the council will bridge the funding gap of £49m by 2019-20, as there is insufficient detail in the Medium Term Financial Strategy to be able to work this out.

The capital programme needs to be more closely aligned with demand management and cost pressure reduction in the revenue budget. For example developing new types of supported residential housing as an alternative to residential care will require flexing of the capital programme

Savings should be worked out on a more detailed and long term basis so officers can help members to plan for the future. However to shift from a rolling annual basis to longer term financial strategy will require a considerable shift in mind set and would benefit from early Executive-wide discussions about relative priorities.

There is an awareness expressed by members and officers that levels of borrowing are high relative to the size of the council and the proposed capital schemes will further add to that. The council could seek to leverage finance from other sources rather than from its own resources which seems to be the default position, which in the longer term places greater risk and expectation on the authority. In particular the Broadmarsh scheme needs to be negotiated to ensure risk is mitigated in the event of an economic downturn. This includes exploring alternative finance options which provide greater flexibility for NCC whilst still achieving its regeneration objectives. Other Core Cities can share their experiences and strategies on managing large scale city centre developments.

Moving forwards the council would benefit from producing an asset management plan, linked to a new longer term financial strategy. This would allow for the phasing of acquisitions and disposals.

#### **4.5 Capacity to deliver**

The council's track record is proven on delivering high performing services and high profile capital schemes. Customers show enviable levels of satisfaction with council services and its reputation is widely regarded as having improved significantly over the past 5 years.

A Culture Change Programme was introduced in 2015, and has several strands including Change Champions, TeamWork, Big Conversation and the Great Leadership Programme. Investment has been made in managers and the Nottingham Manager Expectations sets out four key areas of Lead; Manage; Deliver; and Collaborate.

Staff morale as recorded in the most recent satisfaction survey from 2015 is good, and this is reflected people talking about their jobs and roles with passion and pride. Goodwill however is finite and care needs to be taken to ensure that further efficiencies do not have a detrimental impact on frontline service delivery, especially for those working in services which are not a stated council headline priority.

There are indications that the capacity of the organisation is beginning to suffer: whilst members of staff are very loyal to the council, many feel stretched and have concerns that the council keeps asking more and more of them, whilst resources are reducing. There are some mixed messages emerging about priorities and non-priorities. Some participants in the peer challenge were clear about priorities and how services have expanded to meet new initiatives or requests from councillors. But they also struggle to articulate how or when the council has stopped doing things because everything is a priority.

Those who work in the service areas articulated in the five headline priorities in the Council Plan appear to be more confident in their roles and service delivery. However members of staff who are not perceived to be in priority areas use terms such as “unloved” to describe how their services are perceived by others. A number described current capacity as being very stretched, related to non-priority services feeling underfunded and undervalued. Revisiting the staff survey soon will be beneficial to keeping an eye on the cultural health of the council.

Developing more digital capacity is needed for both the council and the city, and the creation of a digital strategy is needed to bring coherence and shape future investment for the right ICT infrastructure. Although mobile working is encouraged and staff can access some council systems remotely, there are some staff frustrations that this is only possible by using council laptops. More flexibility is required which would support an “anytime, any-place, anywhere” approach, backed by appropriate and flexible software and equipment. An effective infrastructure and level of investment will therefore help the council to support greater internal and mobile working, as well as encouraging a self-service culture and greater productivity.

There is a transformation programme which sets out why the council needs to keep pace with change and transform itself. This includes training individuals to maintain a focus of continuous improvement within services. However the term “transformation” is widely used across the council but what it means could be clarified further because for some staff it seems to be synonymous with change management or managing budget cuts, rather than radical and fundamental revisions to how services are delivered.

A genuinely transformative approach would produce radical and different service re-design and delivery which produces significant outcomes for local people, and is more effective and efficient. It would also look at need and service provision and ask fundamental questions about what the service is for, whether the council is best placed to provide it and whether others could do it better or more efficiently. The council should question whether it has the right skills to ensure demand management, workforce planning, financial resilience and further commercial acumen can be achieved.

There is a clear ambition for NCC’s workforce to be more representative of the communities it serves, particularly in employing black, Asian, minority ethnic and refugee (BAMER) employees. Currently the workforce has approximately 22% BAMER representation whereas the demographics of the city show 35% BAMER residents. Recent changes to recruitment practices should help to improve achievement in this

area and are beginning to show increases in applications from minority ethnic groups, although do not yet appear to have substantially filtered through to appointments.

The council should consider re-running the staff survey to test current employee stress levels, and also to ensure that equality principles applied in recruitment also extend to employees in post. Although there are networks in place to support staff more can be done to encourage not just those from minority ethnic groups but across the whole range of diversity, to be able to be heard, be able to challenge and be supported in the workplace.

Some of the key figures have been their positions for a number of years and are well established fixtures at the council. Whilst there is a drive to bring in younger people to the council through apprenticeships and create a more diverse workforce, the principles of succession planning need to be applied to senior members and officers too. This will help to ensure that Nottingham has continuity going forwards without jeopardising success.

#### **4.6 Where is Nottingham an outlier on spend or efficiency? Are the council's performance management arrangements effective?**

The council can evidence it has performed well against the priorities set out in the Council Plan. There is regular reporting of outcomes, outputs and projects to the Executive, Corporate Leadership Team (CLT), departmental teams and relevant Boards. The organisational Performance Management Framework is accessible and sets out roles and responsibilities across the council's structures in an accessible way. There is a clear and consistent read across from the administration's political manifesto and priorities into the council plan and performance management systems.

However there is a degree of stratification of what is reported at the highest levels. Progress against the council's stated headline priorities is reported to the Executive but services which don't feature strongly in those priorities report their progress below Executive level. This gives an impression that the council is only interested in what is being achieved in the priority areas, even if some of those excluded services are a clear statutory responsibility. Reporting in this way also presents a degree of risk to the overall corporate knowledge of the organisation. Exclusive reporting may work well as an arrangement when performance is good and targets are being met, but it could create a problem when performance is beginning to stall or deteriorate. The performance and transformation of statutory services should also be reported to the Executive and CLT.

Transformation needs clarifying and rethinking in NCC; and this applies to not only the activities undertaken but how they are performance managed and reported. There is a sense that Big Ticket items are regarded as somewhat detached from the usual performance reporting arrangements, even if their purpose is described as being transformative. From an outsider's perspective the big ticket items appear to be more about managing budget pressures than genuinely doing things very differently and developing sustainable services for the longer term. The clear commitment to the administration's manifesto also presents a challenge to transformation, in that it may make service delivery more difficult to change if that transformation is seen to undermine

manifesto pledges. A clearer streamlined reporting structure and process for transformation activity will help to drive progress.

The council's Performance Management Framework recommends the use of CIPFA's Nearest Neighbours Model for benchmarking the performance of services but there is little evidence that it is actively used in NCC. The council has undertaken its own analysis of unit costs compared to other unitary and metropolitan councils. More work is needed to thoroughly benchmark the council's social care expenditure so that it can better understand its costs relative to other local authorities.

Overall the current approach towards performance and efficiency includes some contradictions which need to be worked through. Councillors clearly drive the agenda for improvement at strategic levels yet want detailed answers and information about service delivery. Tight controls are set for performance through various mechanisms, particularly the scheme of delegation but also through the requests made of officers, yet at the same time councillors have an aspiration for the council to be less bureaucratic.

#### **4.7 The approach to the care, health and wellbeing of older people, the level of spend and the outcomes being achieved**

Residents in receipt of support from the council's adult social care services have reflected good satisfaction rates and continue to show satisfaction levels higher than the regional and national averages in the most recently available 2015/16 ASCOF data returns.

Joint work with the Nottingham City NHS Clinical Commissioning Group has secured some initial investments in priority adult care services through the Better Care Fund (BCF). The investment has been important in securing continuing capacity to fund vital services such as home care over recent months, and work with Nottinghamshire County Council to align fees and commissioning for home care services is further providing resilience to market stability in a challenging environment.

However, there are pressures arising from the ageing adult population within the city estimated to be around £2.7m in the current financial year. Beyond this year and going forward Nottingham will see basic demographic pressures from a changing and ageing population; pressures from children with disabilities transitioning to adulthood; and ongoing fee pressures for example from the National Living Wage and its impact on the costs required to commission external providers of care. These all need to be addressed, owned and responded to effectively by the council and its NHS partners as a fundamental component of the STP process.

Performance in some key aspects of adult social care requires improvement. This is both to ensure demand and patient flow in the wider health and care economy is effectively managed, but also with a view to creating longer term community based solutions for residents in receipt of adult social care support.

Key areas for attention to give improved confidence in the Nottingham approach will be reducing current rates of admission into residential and nursing homes, reducing hospital readmission rates and improving the coverage and effectiveness of reablement services.

The council has a strong track record of investment in housing as well as in neighbourhood working: these could be combined to develop more targeted extra care housing for older people. Creative and targeted approaches are needed in the STP to strengthen this strategic approach, by ensuring that new models of care support NHS partners effectively to improve patient flow at hospital discharge, and to keep people at home independently in their communities. This could reduce permanent admissions to care settings and relieve some of the ongoing revenue costs of care packages. There is an excellent opportunity to use the STP process to develop joint ownership and understanding of the benefits of these investments and to share risk and rewards with health partners.

Community led support will be instrumental in reducing demand for adult social care and will require capacity building and commissioning services on a longer term basis with the third sector. There are examples to draw on nationally in recent years where a significant contribution to revenue reductions has been achieved through this type of approach, whilst outcomes have been maintained or improved. In other service areas the council has a solid and successful approach to neighbourhood and community working with a long track record of delivering positive outcomes. It could apply lessons from this work to ensure a new focus on community led support becomes the mainstream demand reduction approach for adult social care.

Although the demographic profile of the city is one of relatively more younger than older people, demand for adult social care in Nottingham is nonetheless an area which needs addressing and managing if vital services are to be put on a more sustainable footing. Not tackling these pressures will create further financial strain on the council and will limit its ability to flex and spend in other areas.

#### **4.8 Are the council's systems and processes bureaucratic or appropriately streamlined – or perceived to be so?**

The merging of complementary services, particularly in the areas of community safety and regulatory services, has been undertaken in order to make the council easier to engage with and to drive improvement.

Systematic partnership working is evident through East Midlands Shared Services which is a partnership between the council and Leicestershire County Council (LCC). It was created in 2010 and delivers transactional HR, payroll and finance transactional services to both LCC and NCC.

Overall there are mixed views about how bureaucratic the council is because there is extensive evidence of enterprise and risk taking at the strategic level and service areas are generally able to respond quickly to service requests from the public. Yet there is more caution internally about doing things differently and staff have concerns about “there is a myriad of forms for everything” with multiple layers of permissions.

We also heard of concerns that whilst being innovative on large scale external projects and schemes, internally the council can feel more traditional with less senior members of staff feeling unwilling or unable to innovate due to being bound to systems and processes, as well as an unwillingness to take day to day risks in case projects fail. Staff are willing to do things differently but will need support and encouragement and to be allowed to innovate

further: continuing the Big Conversation approach through the Great Workforce Programme is a good way to continue to explore improved ways of working.

The spans of control on decision making, especially on delegated levels of expenditure, are out of kilter with the responsive and streamlined organisation that its leaders want it to be. External stakeholders note positive senior aspirations for change that doesn't always translate into action further down the council. Internal recharging creates an internal economy within the council which to an extent masks the true financial position of each directorate and undermines a whole council approach. It also places barriers in the way of being truly customer focused because it means staff have restricted latitude to be flexible.

There are widespread concerns about the consistency and availability of management information to support sound service planning and commercial decision making, including core financial and HR systems. Some of this arises from significant frustration with the accuracy, timeliness and frequency of management information. There are plans to upgrade the Oracle software system through the East Midlands Shared Services agreement and this should help to provide access to better and more timely management information, available in a real time format.

#### **4.9 In terms of the council's transformation journey: how embedded is the "driving purpose" of the citizen being at the heart of everything the council does; and is the "good to great" journey maximising its potential?**

Members and officers talk freely and unprompted about citizens being at the heart of the organisation, and at all levels this is a clear motivation. The strategic priorities of the administration have been clearly communicated and are widely understood. There is also a genuine and clear passion to do the best for the city, aptly described by one stakeholder as "a fierce commitment to Nottingham". This passion is communicated well by councillors and it comes through strongly through the whole council, irrespective of the grade or role of employees.

However there are signs of stress in the organisation and as mentioned elsewhere in this report, a feeling that some services are of lesser importance. Some of this relates to how service performance is reported, and some relates to which service area people work for and whether it perceived to be a financially protected service. Staff also told us that some projects and programmes are changed when delivery is underway, describing a "stop/start" approach, which creates uncertainty about future planning and priority order of delivery.

Although generally communication from senior levels through to front line staff is good, this is an area that needs ongoing attention. Sometimes the aspirations that senior leaders have do not always reach staff, and some of this relates back to systems and processes put in place and feeling up the more junior members of staff to innovate.

## **5. Next steps**

### **Immediate next steps**

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk) and 07747 636910.

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### **Follow up visit**

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

### **Next Corporate Peer Challenge**

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before 2022.