

Corporate Peer Challenge

Redcar and Cleveland Borough Council

18th to 21st March 2013

Report

1. Background and scope of the peer challenge

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

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

Carole Hudson, Chief Executive, St Helen's Metropolitan Borough Council
Councillor Simon Blackburn, Leader, Blackpool Council (Labour)
Gill Bull, Executive Head, Policy and Customer Services, London Borough of Sutton
Nick Easton, Senior Adviser, Local Government Association
Chris Bowron, Peer Challenge Manager, Local Government Association

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

The guiding questions for all corporate peer challenges are:

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

In order to tailor the challenge specifically to Redcar and Cleveland, and in addition to looking at the general corporate health of the organisation as reflected in the peer challenge core elements, we undertook to:

- Provide an external perspective on the plans the council has put in place in response to the unprecedented challenges it is facing and the need to ensure a sustainable council going forward
- Test the contribution of the council's ten new improvement projects towards the authority's sustainability
- Consider the progress the council has made since its peer challenge in 2008

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

2. Executive summary

Redcar and Cleveland Borough Council has made significant progress in recent years across a wide range of spheres including regeneration of the borough; improved partnership working within and beyond the borough; and well-managed organisational change within the authority.

The council is clearly outward-looking, with a focus on the interests of the borough and its residents. It is very self-aware and passionate about the interests of the people who live in, work and visit the area. The authority is clearly aware of the nature and the scale of the challenges that the borough faces going forward and it is also fully aware of the challenges that it faces as an organisation as it strives to ensure it remains sustainable. It has maintained its external focus even at a time when the financial pressures and related organisational changes could easily lead to it concentrating more internally.

Major effort and investment has gone in to physical, social and economic regeneration and this is delivering tangible results. The senior leadership have worked hard to position Redcar and Cleveland effectively within the Tees Valley sub-region and a lot of effort has gone in to enhancing relationships with other councils within the area. There is good engagement in partnership working within and beyond the borough, both at the strategic and operational level.

The council has a wide range of services and initiatives of which it is justifiably proud. It has achieved major savings; improved financial and performance management; reconfigured services and delivered significant cultural change. There is a much more positive culture within the organisation now than existed at the time of the previous peer challenge in 2008. Amongst the council staff that we met, there was an impressive energy and commitment. People have demonstrated the sort of willingness and flexibility that are vital for the council to be able to make the best use of its resources and which are invaluable at a time of great change. In turn, the council is clearly very committed to its people, reflected in its approach to their welfare and the valuing of them.

The authority recognises that a combination of further significant reductions in resources and increasing demand for services will make current approaches unsustainable. Whilst this recognition exists, the ambitions, expectations, focus, plans and actions of the council do not yet reflect that understanding. Redcar and Cleveland Borough Council is an authority that has strived for many decades to support and do the best it can for local people and meet the broadest possible range of needs. The council and the elected members and officers within it are deeply committed to the people they serve. However, the harsh reality of the challenging times currently and for the foreseeable future is that the council cannot do everything that it aspires to within the resources available to it. We see the need for a more targeted approach, involving establishing realistic ambitions around what the council can undertake – reflected in clear priorities. Similarly, we see the need for the sharpening of the focus and a more driven approach around some aspects of what the council is looking to deliver.

The challenges facing the borough and the council are significant. Tackling them successfully will require even more from all elected members and senior officers going forward. Tremendously strong political leadership of the borough and the council has been demonstrated previously. Such strong leadership is required again now in order to help the council through the huge financial challenge that is being faced. The council's Cabinet will need to be brave and resolute in its decision-making. Elected members across the borough need to be at the forefront of change as the council moves forward and there is a need for all elected members to gear up for the increasing challenges around balancing the priorities for the borough, set against local interests at the ward level. As more and more becomes required of elected members it will be important for the council to ensure they are appropriately equipped to fulfil their changing roles and responsibilities.

3. Detailed findings

3.1 The journey of recent years

- Redcar and Cleveland Borough Council has made significant progress in recent years across a wide range of spheres including regeneration of the borough; improved partnership working within and beyond the borough; and well-managed organisational change within the authority.
- An extensive Economic Regeneration Masterplan has been developed by the council and partners, with external expert support, and the resultant action plans involved extensive consultation with local residents and other stakeholders. The Masterplan represents a 15 year strategy up to 2025 that will be refreshed at key points over that time and acts as the key tool for shaping the future of the borough. It aims to draw in £1 billion of private investment and £265 million of public investment and places a strong emphasis on creating jobs and prosperity and equipping local people with the necessary skills and qualifications for the future.
- Major effort and investment has gone in to physical, social and economic regeneration and this is delivering tangible results – reflected, physically, in work that is completed or underway on the redevelopment of the seafront in Redcar (including the Redcar Beacon), construction of the Redcar Leisure and Community

Heart building, the Palace Hub as a new business space to support creative industries, the Tuned In! centre for young people, an Eco Village at South Bank and an integrated health and social care facility in Greater Eston. The council's ability to secure additional funding for the borough from the likes of the former Regional Development Agency, Environment Agency and National Lottery has played a vital role in enabling the regeneration.

- There is good engagement in partnership working within and beyond the borough, both at the strategic and operational level. Our discussions with a range of partners during the peer challenge process highlighted an increasingly positive perception of the council amongst partners. What we heard and observed during a number of activities we undertook that jointly involved elected members and officers from the council and representatives from partner organisations within Redcar and Cleveland demonstrated the existence of very mature relationships. The theme of partnership working is expanded upon later in this report.
- The council has achieved major savings; improved financial and performance management; reconfigured services and delivered significant cultural change. The council has successfully delivered financial savings totalling in the region of £30m between 2009/10 and 2012/13, representing a significant proportion of a net revenue budget which, for 2013/14, is just over £127m. At the same time, and often as a direct contributor to these savings, the authority has also delivered significant structural and people change, including reducing the council's workforce by around 600 and reconfiguring a variety of services. As an example, in adult services, the council devised a new commissioning strategy that brought about changes to the way services are provided both in-house and by others and, through this, enabled a reduction in budgeted spend of £5m. As another example, the council has successfully combined some libraries and customer access points and moved other services to sit alongside those of partner organisations, as seen with the Low Grange Health Village which provides customer access to council services, a library, a General Practitioner and pharmacy all under one roof.
- Financial management within the council is vastly improved, with the significant variations, including major overspends, that were being seen in the council as recently as 2011/12, having been successfully addressed. The council has implemented greater control around the way managers deal with their budgets and the way they are monitored.
- There is a much more positive culture now than existed at the time of the previous peer challenge in 2008, with improved relations between officers and elected members and much greater co-operation and joint working within and across teams and directorates. The authority has a wide range of services and initiatives of which it is justifiably proud. Examples include work to limit homelessness; preparation for welfare reform changes, help for families to improve the management of their finances; schemes to reduce levels of smoking; boost breastfeeding; and support people into employment or training. In addition, the safeguarding of children is now judged by OFSTED to be 'Good', educational attainment in the borough continues to improve and the council has established a borough-wide 'reablement' programme providing intensive early support to frail elderly or vulnerable people who have experienced a major illness or other difficulty.

3.2 Leading the way locally

- Redcar and Cleveland is clearly an authority that is outward-looking, with a focus on the interests of the borough and its residents. The council has maintained this approach even at a time when the financial pressures and related organisational changes could easily lead to the council becoming more internally focused. The council is very self-aware and passionate about the interests of the people who live in, work and visit the area and this was exemplified in the presentation the Chief Executive delivered to us at the outset of the peer challenge. This was focused on the demographics of the borough; what the area has to offer; the changes and challenges being experienced by local people and what is being delivered, with partners, to take the borough forward. Only towards the end of the presentation did the focus switch to the council itself and what it is experiencing as an organisation.
- The Leader and Chief Executive, along with other senior council figures, have worked hard to position Redcar and Cleveland effectively within the Tees Valley sub-region and a lot of effort has gone in to enhancing relationships with other councils within the area, all of which is proving to be productive. Significant levels of funding were secured from the former Regional Development Agency to support the regeneration of the borough and the council is seen to be well-engaged with Tees Valley Unlimited, as the Local Enterprise Partnership, and the 'City Deal' that it has agreed with central government. Work has taken place with the councils in Hartlepool and Darlington exploring the feasibility of establishing a collaborative arrangement for the delivery of 'people services' (adults and children's) under a shared management structure. Whilst it has been agreed to delay the full implementation of this until 2014, the preparatory work that has been undertaken has helped to develop a better shared understanding between the three councils, enabled the sharing of learning and expertise and enhanced relationships.
- The council is already involved in a number of collaborative arrangements across the Tees Valley, including a shared audit and assurance function, a joint emergency duty team and a youth justice service that covers South Tees. In addition, from April this year when local councils assume responsibility for public health, elements of that function will be delivered on a shared basis across the Tees Valley. Whilst each borough will have a Director of Public Health, the joint delivery of a number of services will be undertaken to maximise resilience, efficiency and the benefit that can be secured from specialist skills and knowledge. Redcar and Cleveland is leading those aspects of Public Health within the Tees Valley that are shared.
- The council has a broad understanding of the challenges facing the local area and people within it – with these being outlined in the following section of the report. People within the authority are cognisant of the variation and differentiation that exists across the geography of the borough, for example in terms of relative levels of affluence and health inequalities.
- Having observed a range of partnership meetings and had discussions with the representatives from several partner organisations within Redcar and Cleveland, it is clear to see that there is a huge commitment, on the part of all those concerned, to partnership working within the borough. People at both the strategic and

operational level are working together in pursuit of the interests of local people and businesses. Key agendas, such as welfare reform and ‘troubled families’, are being considered and progressed jointly and the voices of all partners are being heard. People are prepared to take on each other’s ideas, learn from each other’s experiences and share resources in order to secure maximum benefit. There was no sense of ‘territoriality’ or people usurping one another. In summary, we saw very mature relationships existing between partner organisations that stand the borough in the best possible stead both now and into the future.

- People within the council demonstrated a commitment to learning from other authorities in order to benefit what the council does. We have already touched on the sharing of learning, knowledge and expertise that has emerged around the three-borough ‘people services’ collaboration preparatory work. Another example is the way that the ‘Shaping the Future’ project, which is focused on determining the way the council operates in the years to come, has encouraged people across the authority to actively seek out potential alternative methods of delivering the services they are responsible for by looking at how other councils and organisations around the country do things. A further example is the peer review that Bradford City Council officers undertook, at Redcar and Cleveland’s request, of its approach to young people not in education, employment or training (NEETs).

3.3 The scale of the future challenge

- The council is clearly aware of the nature and the scale of the challenges that the borough faces going forward. It is also fully aware of the challenges that it faces as an organisation as it strives to ensure it remains sustainable.
- Whilst there are a number of major employers within the borough, including in the steel and petro-chemical industries and Teesport (the second largest port in the country), the local economy is fragile. This stems from a lack of diversity in the type and nature of employment available. There is limited local entrepreneurship and there is a key challenge around equipping local people with the necessary skills and qualifications for the jobs that it is hoped can be attracted to the area. Whilst educational attainment has improved in Redcar and Cleveland in recent times, there is a need for further and significant progress to be made.
- The unemployment rate amongst adults in the borough currently is 7.1 per cent compared to an average of 3.8 per cent nationally whilst youth unemployment, for those between 18 and 24 years old, is over 15 per cent against a national average of 7 per cent. Amongst local 16 to 19 year olds, nearly 11 per cent are NEETs – which represents one of the highest proportions in the country.
- There is a shortage of housing in Redcar and Cleveland appropriate to meet the needs of both current and prospective residents of the borough and limited housing development is taking place. There is also a range of other infrastructure challenges including transport and broadband connectivity.
- The population of the borough is both reducing in size and ageing. The population in 2001, based on the Census data, was 139,000 but this reduced by 4,000 in the

subsequent ten years. There are serious underlying health issues in the population. Levels of obesity amongst adults are 29 per cent locally compared to a national average of 24 per cent. Breastfeeding rates are amongst the lowest in the country at 24 per cent compared to a national average of 52 per cent. There are also significant inequalities in health within the borough, with the life expectancy for men in some areas being 13 years less than others, whilst for women there is a differentiation of up to eight and a half years.

- Along with the rest of the public sector, the council has been facing up to a significant reduction in resources over recent years. As we outlined earlier, significant levels of savings have already been achieved. However, the authority is faced with a projected further £32m gap in council funding in the period between 2013/14 and 2019/20. At the time of the peer challenge the council was making good progress in achieving the £7.8m savings required in 2012/13 and plans are in place to realise a further £4.4m in 2013/14. The major challenge for the council comes in 2014/15, when nearly £10m of the £32m needs to be achieved. In addition to delivering the savings required, the council is faced with managing an increasing demand for a range of services, including adult social care, health and homelessness, and targeting core services on the most vulnerable. In addition, the council is faced with dealing with the impact of the welfare reform agenda within Redcar and Cleveland.

3.4 The key challenge

- As we have outlined, the council is very aware of the challenges facing both the borough and it as an organisation. Within this, the authority recognises that a combination of further significant reductions in resources and increasing demand for services will make current approaches unsustainable. Whilst this recognition exists, the ambitions, expectations, focus, plans and actions of the council do not yet reflect that understanding. Redcar and Cleveland Borough Council is an authority that has strived for many decades to support and do the best it can for local people and meet the broadest possible range of needs. The council and the elected members and officers within it are deeply committed to the people they serve. However, the harsh reality of the challenging times currently and for the foreseeable future is that the council cannot do everything that it aspires to within the resources available to it.

3.5 Prioritisation and focus

- During the course of the peer challenge the council shared with us the draft of a new corporate plan ('Our Plan') which is proposed for adoption over the next month or two. This plan represents a massive agenda as a hugely ambitious council that wants to do whatever it can, with partners, to support and benefit local people and businesses. The overall vision the council has for the borough is unchanged from before:
 - An excellent environment for everyone living, learning, working and visiting here

- The externally-facing outcomes that the council is seeking to deliver have been reduced in number from previous years but are quite broad:
 - Grow our economy and create more jobs
 - Great places to live
 - Great quality of life
- These outcomes are, in turn, broken down in to ten priorities which have been refreshed and cover elements such as getting local people into jobs, delivering a good range and quality of housing, ensuring top quality schools, making sure the borough offers exciting things for people to do and ensuring great transport and access for people. The vision, outcomes and priorities combine to provide a very broad-ranging and extensive agenda.
- In addition to the vision, outcomes and priorities, the council has a well-established concept of ‘improvement projects’ – key initiatives, often cross-cutting, that it is delivering at any given point in time, working with partners where that is relevant.
- An example of an improvement project is ‘Shaping the Future’, which is aimed at developing new and innovative ways of organising and delivering services to ensure they are sustainable and resilient and focused on those who most need them. As part of the project, a ‘stocktake’ of all council services was delivered last year in order to develop better understanding of the position of each service and identify savings options. Research has also been undertaken exploring options for the future in the form of alternative methods of service delivery, including collaboration, commissioning, trading and mutualisation.
- Other improvement projects cover internal issues such as enhancing the council’s service offer; valuing people and delivering the budget. Outward-facing issues are included in the improvement projects, including welfare reform, improving health and well-being, supporting ‘troubled families’, ageing-well and youth employment. The nature and number of the improvement projects adapts over time but consistently represents a very broad and demanding agenda.
- The scale of the agenda presented by the council’s ambitions, set against the context of the challenging financial picture facing the authority, led us to outline the ‘key challenge’ above - the fact that whilst the authority recognises a combination of further significant reductions in resources and increasing demand for services will make current approaches unsustainable, the ambitions, expectations, focus, plans and actions of the council do not yet reflect that understanding.
- We see the need for a more targeted approach, involving establishing realistic ambitions around what the council can undertake – reflected in clear priorities. This in turn will require the management of expectations both of residents and elected members so that they match the revised situation – as changes are made people will need to come to understand that the council cannot do all that it has before or respond as it did previously. Resources will need to be targeted in a way that reflects a clearer set of criteria that the council will have to determine – as an example, people in the council talked about focusing on ‘the vulnerable’ but definitions of what this entails were extremely broad in some cases, even including

‘all elderly people’. The targeting of resources on greatest need, however defined, will help the council to make best use of its capacity. It cannot afford to do otherwise.

- Similarly, we see the need for the sharpening of the focus and a more driven approach around some aspects of what the council is looking to deliver. As an example, there would appear to be different experiences around the way the improvement projects are progressing. With some, such as welfare reform, ‘troubled families’ and improving health and well-being, the real value, which we saw for ourselves, seems to lie in partner organisations getting together and sharing information, ideas and experiences. Rather than them existing as formal projects with the project management infrastructure which that entails, we believe that this work should be embedded in core services. With others, including ageing well, there appears to be a lack of clarity around what is trying to be achieved, with a sense of direction seeming to be missing – suggesting the need to revisit the scope and approach and the consider the rigour with which a potentially smaller amount of higher-impact work might be managed and delivered. We found examples where timescales and deadlines, for example, had drifted some way off the original plans.
- There is a need to continue to drive forward the implementation of the ‘Shaping Our Future’ initiative. The council has a wealth of information that it has gathered from the ‘stocktake’ and a review of ‘high spend’ areas and this presents a strong evidence base from which priority areas for review can be determined.
- Given what we have outlined here, we urge the council to reflect on the ‘key challenge’ we have highlighted and, although it will involve difficult decision-making, move to determine a refined set of priorities behind which the reducing level of resources can be aligned and focused. There will need to be robust targets and timescales for what is to be achieved, reflected in focused delivery plans, and the council will need to ensure it sticks to the commitments it makes.
- Within all of this, the council may also wish to consider, as part of its financial planning, moving to a situation in which longer-term budget planning takes place. Given the difficult and challenging nature of the ways some services will need to change, there may be benefit in providing indicative budgets covering, say, a three year period during which such changes can be brought into effect in a way that makes them easier to manage.

3.6 Leadership

- The challenges facing the borough and the council are significant. Tackling them successfully will require even more from all elected members and senior officers going forward.
- Tremendously strong political leadership of the borough and the council has been demonstrated previously, not least in championing the cause of the steel industry and helping to secure its return to the area. Such strong leadership is required again now in order to help the council through the huge financial challenge that is being faced. At the heart of this sits the need, which we have outlined above, to set the clear political and policy direction behind which the council’s resources can be

aligned. There will be very difficult decisions to be taken regarding what the council does (and what it doesn't do), how it does it and, consequently, the way its relationship with citizens is re-positioned. This will be very challenging to the existing culture and ethos of the elected members and officers of the council and the onus will be on the senior political leadership of the authority to move things on to a different footing.

- The council's Cabinet, both as individual portfolio holders and as a collective, will need to be brave and resolute in its decision-making. We heard of a few instances where something had gone awry in the decision-making process at the portfolio holder and Cabinet level, resulting either in Cabinet reports needing to be withdrawn just ahead of the meeting or decisions that had been taken needing to be reversed. This does not reflect well on the council and absorbs unnecessary effort and attention and suggests insufficient shared understanding and communication at the Cabinet level. It is important that this is addressed and that the existence of more robust approaches to policy development and decision-making are ensured in order to avoid difficulties for the council subsequently.
- Elected members across the borough need to be at the forefront of change as the council moves forward. They have a crucial role to play in the interface between the council and citizens as the necessary difficult decisions are taken. Councillors need to lead their communities in a way that encourages and enables citizens to respond to changes being made by the council in what it delivers, to whom and how. They have a key role in managing the expectations of citizens where changes are being made by the authority, explaining the reality of a situation in which there is less resource than before to deliver what people have become accustomed to. Within this, elected members' own expectations will also need to be revised around the issues officers can respond to and the timeliness with which they might be able to do so.
- Within all of this, there is a need for all elected members to gear up for the increasing challenges around balancing the priorities for the borough, set against local interests at the ward level. As an example, with the authority having agreed a corporate asset disposal strategy, elected members will need to help support the achievement of what is planned for the overall benefit of the borough rather than seek to de-rail or over-turn decisions that might impact on their individual ward. Similarly, with the aspirations the council has around significant levels of new housing being developed in order to meet the needs of existing and potential future residents and deliver a range of economic, health and social benefits, there will undoubtedly be challenges presented around determining where such development takes place. The necessary decisions may well be contentious but, with the council being clear that such development is required, successfully achieving it will require elected members to emphasise borough-wide strategic considerations when faced with the challenge that emerges through local interests.
- Maximum capacity needs to be derived from the council's elected membership. Sound initiatives are already in place that provide all councillors with the opportunity to be involved and make a difference, including non-Executive councillors acting as 'Champions' for the likes of health, rural issues and the armed forces. All elected members are now afforded the opportunity to address Cabinet meetings should

they wish and overview and scrutiny provides a platform to get issues addressed. We were not convinced, however, that all the available opportunities are being utilised and that the whole elected membership is sufficiently engaged.

- Going forward, there will be a requirement for all elected members, along with officers, to ensure there is sufficient challenge and focus around what needs to be achieved and the pace to deliver it. The effort and attention of Cabinet, Scrutiny Board and Audit Committee will need to be concentrated on those things that the council has determined are the real priorities and they will need to play their part in ensuring that what the council is committing to doing is carefully considered, well planned and effectively delivered for the public of Redcar and Cleveland.
- It will also be important for elected members and officers to give special attention to the major changes taking place around the health sector over the coming months. The transfer of public health to the council, and the opportunities this represents, need to be capitalised upon. The Health and Well-Being Board provides a good opportunity for the council to shape things locally and it will be vital for the council to continue to work closely with the Clinical Commissioning Groups given the influence and resource they will have.
- As more and more becomes required of elected members in relation to, for example, Cabinet members steering their portfolios through potentially significant changes and ward councillors leading their communities through difficult times, it will be important for the council to ensure they are appropriately equipped to fulfil their changing roles and responsibilities. In talking with councillors about elected member development, we noted that they are regularly provided with briefings on key issues facing the borough and/or the council and they have access to standard sorts of training around IT and their roles on quasi-judicial committees such as Planning and Licensing. Whilst there is a structured elected member development programme in place, it is important both for the council to assure itself that it is appropriate for the future challenges that councillors will face and for elected members to engage effectively with it.

3.7 Governance

- As the council looks to fulfil the aspirations for Redcar and Cleveland that are reflected in the Masterplan, it is important that the Local Development Framework (LDF), as the key spatial plan for the borough, is brought into being as speedily as is practically possible in order to maximise the chances of what is contained in the Masterplan being delivered in the ways that are intended. The obvious element of the Masterplan that will most benefit from the establishment of the LDF is the delivery of new housing developments in areas that have been deemed, after careful consideration, to be the most appropriate. As an example, if the council wishes to steer such development towards brownfield sites then it is important that this is reflected formally in the LDF.
- The council has established a neighbourhood management approach in recent years, with each of the 22 wards representing a neighbourhood area. Each area has a Neighbourhood Action Partnership (NAP), which is formed of the ward

councillors and key stakeholders and meets every two months. Neighbourhood Teams have been set up, involving some council resources being devolved to the ward level, particularly in relation to the delivery of environmental services. The discussions that we had with elected members and officers showed that the neighbourhood management approach is valued by them and residents. However, there are questions around the sustainability of the approach, economies of scale and matters of governance concerning the NAPs that need to be addressed.

- With regard to the sustainability of the approach, some people highlighted what they saw as the existence of significant management overheads compared to the level of resources deployed 'on the ground' and questioned the relative value of this. In addition, we understand that the resources, in the form of Neighbourhood Teams, dedicated to each neighbourhood is the same across the borough and this prompted us to question whether, in the current climate, the authority may wish to revisit this in a way that would allow for differentiation between areas depending on, for example, variation in the nature or interests of a place and how this generates different priorities.
- As regards the governance issues for the NAPs, we noted the lack of a shared understanding amongst elected members regarding the standing of the NAPs, in terms of whether or not they are council-constituted bodies, and who, in sitting on a NAP, is therefore eligible to take decisions. This is important when decisions are being taken that involve the use of council resources, for example in the form of determining what work needs to be undertaken by a Neighbourhood Team or how the local budgets provided to councillors for use in their wards is to be allocated.
- Overview and scrutiny arrangements within the council have been revised in recent years and we learnt of some good work being undertaken, particularly at the 'task and finish' group level. Examples include work around NEETs, welfare reform, local bus provision and the council's response to adverse weather conditions such as snow and flooding. However, there are frustrations around the way in which the Scrutiny Board operates, with concerns that the size of the agenda sometimes acts as a barrier with insufficient time being available to give due consideration to all of the issues. There was also a view that the recommendations put forward by the Scrutiny Board on issues are not sufficiently valued by the Executive. We also noted the limited number of call-ins that take place. There are mixed views around the effectiveness of Health Scrutiny.
- Relationships between officers and elected members in the council are seen to be good. Integral to this is what councillors see as a good level of responsiveness by officers to issues that they raise and the effective way in which they are, in the main, kept informed of matters concerning their wards.

3.8 Capacity

- Amongst the council staff that we met, there was an impressive energy and commitment both to the borough and the local authority. People have demonstrated the sort of willingness and flexibility, reflected in their taking on of new or additional roles and responsibilities or moving around within the

organisation, that are vital for the council to be able to make the best use of its resources and which are invaluable at a time of great change. In turn, the council is clearly very committed to its people, reflected in its approach to their welfare and the valuing of them. There is pride in the 'living wage' that has been implemented for the lowest paid and there are a range of health initiatives to benefit staff. There has been successful management of major people change to date, with the council demonstrating a very strong commitment to minimising the number of compulsory redundancies and maintaining strong and positive relationships with trades unions.

- The 'Valuing Our People' improvement project is focused on strengthening the council's workforce planning and includes succession planning, developing people's talent and skills and addressing instances where there is insufficient resilience in the form of expertise not being sufficiently widely shared. Initiatives to help people grow and develop include the 'Rising Stars' and apprenticeships programmes and a leadership and culture change programme has been delivered. We met a number of the 'Rising Stars' and apprentices and were highly impressed. The council secured the Investors In People 'Gold Standard' last year as a reflection of its approach towards its people.
- The council has a range of internal communications mechanisms in place, including the 'Building a Better Borough' newsletter, regular briefings and events for staff and managers and importance being attached to the holding of team meetings. Senior managers are also felt to be much more visible than before. The internal communications that are delivered are valued by staff and are felt to keep them well-informed. Inevitably, however, at such a time as this, with the budgetary situation facing the council and the potential implications this has for further organisational change, the council can never do enough to keep people informed and engaged.
- Working both within and across teams has improved significantly in recent years, with people indicating they had experienced a breaking down of silos that had previously existed between different directorates and teams. There is also strong joint working between the corporate centre and services, with the former now very much being seen as an enabler of directorates in delivering their functions. This is helped by the mutual understanding that has developed of respective objectives, roles and responsibilities. A notable success, and contributory factor in this, has been the movement of staff between different parts of the council, such as the secondment of a senior finance officer from Corporate Resources to the Adult and Children's Directorate to help develop the approach to commissioning.
- Key corporate processes around the likes of finance, HR, performance management, project management and risk management have been established or enhanced in the period since the council's last peer challenge in 2008. We have already touched on the way the work around financial management has improved things significantly. The authority has established its own project management tool called 'In Control' and risks and performance are regularly considered by the likes of the Senior Management Team and Cabinet. The council also delivered a 'Back to Basics' programme for ICT which rationalised and refocused a range of projects and systems to better support the council's activities.

- Whilst key corporate processes are now in place or improved, the council has identified some issues around adherence to them. In addition, we feel some of the processes need further attention. As an example, we felt some of the project initiation documentation relating to some of the improvement projects lacked robustness in terms of clarity of objectives and resource implications. As another example, some of the risk reporting that we saw also seemed to lack robustness. Inconsistency in the effectiveness of management has also been identified, with the staff survey, Investors In People report and our discussions with staff highlighting issues around the extent to which appraisals are being carried out, poor performance is managed, staff are being kept informed and engaged and managers are approachable and visible. These issues appear to exist in pockets of the organisation rather than being widespread but they will need to be addressed in order to maximise benefit from existing capacity. The council recognises this, though, and has responded by investing in the development of managers in order to address the inconsistencies and people are feeling the value of it, with improvements being seen.

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

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

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

Yours sincerely

Chris Bowron
Programme Manager – Peer Support
Local Government Association