

# Corporate Peer Challenge

## **Staffordshire County Council**

September 2013

Report

## Background and scope of the peer challenge

On behalf of the team, I would like to say how much we enjoyed spending time in Staffordshire to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received and honesty with which people engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

It is testimony to the council's desire for constructive external insight that Staffordshire commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Becky Shaw, Chief Executive, East Sussex County Council
- Councillor Mike Jones, Leader, Cheshire West & Chester Council
- Paula Hewitt, Director/Lead Commissioner for Economic & Community Infrastructure, Somerset County Council
- Stuart Timmiss, Head of Planning & Assets, Durham County Council
- Colin Maclean, Director, Community Links Bromley
- Wendy Balmain, Deputy Regional Director (Social Care & Partnerships), Department of Health
- Neil Shaw, Programme 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 council's needs. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. The guiding questions for all corporate peer challenges are:

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

In addition, the council identified three significant issues for the team to explore:

- ❖ The approach to strategic commissioning
- ❖ Working in partnership
- ❖ Engaging with communities

## Executive summary

Staffordshire County Council is seeking to shift its ethos and approach towards becoming a council which is 'achieving excellence in commissioning'. This is not to see commissioning as a process or end result, but as a vehicle through which it can achieve better outcomes for Staffordshire residents maximising all available public sector spend in the county.

The council has dedicated considerable energy over the last twelve months to evolve its existing operating model. This has included putting in place some fundamental building blocks and working to communicate what the new approach means to members, staff and partner agencies.

This is bold work and an exciting time for the authority. The peer challenge was timed to enable the council to take stock of its work to date and examine how it was shaping further plans to put the new vision and ways of working fully into place.

There are a number of examples of joint delivery on which the council can build further in health and social care integration, i54 and in establishing Entrust in 2013. There are good opportunities to use the experiences, learning and thinking so far to now 'earth' the ambition and turn it into robust implementation. 'Earthing' will include the need to develop a better and more consistent understanding throughout the council of what commissioning means, the priorities for change, the key levers and linkages in those areas and the implications of this for future service delivery. It will also mean the council will need to concentrate on ensuring that partner agencies are included in every stage of the commissioning framework, particularly early on in discussions about what outcomes the partners can make a real impact on improving.

There is a need to tie in the commissioning framework more closely to the three new priority outcomes identified by the council. There is a clear aspiration for services to be co-designed and co-produced with service users and Staffordshire residents. This is still at an early stage overall. There are also greater opportunities for providers to work creatively to offer and deliver solutions.

Over the coming months it will be important to concentrate on the operational delivery of this radical approach. Senior members, officers and partner representatives need to work together consistently to visibly lead this work, drive its delivery and ensure it is understood. In doing so, the council can be confident about others' belief in the council's capabilities and motivations and has a great opportunity to consider how to best to harness other contributions.

The council has achieved much in a relatively short time and is considered by many partners as the organisation to provide the leadership for public sector change and has a strong platform for development. The peer challenge has identified some opportunities to build on this to ensure not only that the implementation of this new way of working is robust, draws on the benefits of involving partner agencies and is in touch with the views of residents, but – more crucially – it begins to deliver better outcomes for the people of Staffordshire in the priority areas.

## **Detailed findings in the focus areas**

### **The approach to strategic commissioning**

The council is embarking on a challenging and ambitious agenda to be an organisation which is 'achieving excellence in commissioning'. Over the past few months, the council has dedicated considerable energy to developing the philosophy and framework for the future direction of the council and remodelling the way the council will work in the future. This is based on securing the best outcomes for the residents of Staffordshire using a commissioning model, which is being clearly led by senior members and officers.

The new model is well understood by strategic leaders within the council and across partner agencies. The approach is focused on a clear set of three outcomes. There is a strong sense of ownership and enthusiasm for change and challenge amongst staff, who are keen to improve outcomes for residents. Awareness of the commissioning concept is also high with staff.

The council has been driving the implementation of the commissioning concept over the last twelve months by reorganising its workforce, creating Commissioner roles and investing in considerable organisational development work centred around a new vision, values and behaviours framework.

There are a number of examples of joint delivery on which the council can build further, for examples, health and social care integration, i54 and Entrust. There are some examples of joint commissioning such as work around inward investment delivery, voluntary and community sector infrastructure and substance misuse.

The council has made a notable investment in its customer insight function to support the new operating model. This brings together considerable information and intelligence and is beginning to be used more consistently by the council to inform service commissioning and decision-making. The council is learning from other local authorities to inform and shape their own approach to the new model. There is a need to ensure the customer insight is recognisable in localities and on the front line.

There are good opportunities to further progress the implementation at an appropriate pace. There is a need to develop a better and more consistent understanding throughout the council of what 'commissioning' means and the implications of this for future service delivery. On occasions, the language used and the supporting structures of the new operating model can be contradictory or simply confusing for members and officers. The use of plain language and consistent clear messages will help to boost staff, members and partners' understanding. Single points of contact for providers/suppliers may well provide a clearer way for providers to engage and communicate with the council.

In the next phase of the move to achieving excellence, the council should provide the leadership expected and wanted by partners and will need to concentrate on ensuring that partner agencies are included in every stage of the commissioning framework, particularly early on in discussion about "the right question" and what outcomes the process is looking to specifically improve.

It is early days in evolving the operating model. As a result it is as yet unclear how the new commissioning approach will drive up improved outcomes in the council's priority areas. There is a need to more closely tie the commissioning framework to the three priority outcomes identified by the council, to recognise both the key levers and linkages and to clearly direct resources at those priorities. The council needs to monitor how outcomes are being improved and reassure itself that the commissioned delivery model for a particular service(s) is delivering, using the performance outcomes framework it is currently developing. Bringing all these aspects together will be a crucial building block for managing capacity effectively.

There are examples where more focus is being placed on developing preventative activities, for example through substance misuse and frail elderly work, but commissioning of early intervention needs to gather pace and draw on the examples already in place. This will enable the council to make a much bigger contribution to reducing the long-term demand for some services.

There is a clear aspiration for services to be co-designed and co-produced with service users and Staffordshire residents. This is an excellent aspiration. This co-design and co-production of service is still at an early stage overall. There are long standing examples of co-design of some specific services, for example in the health area, but genuine co-production will mean service users and other stakeholders need to be consistently engaged early in the commissioning process and their views reflected in the specifications for commissioning.

The council is changing the way it seeks to engage with providers/suppliers in the market for some services. Building effective relationships with the market is an on-going and challenging process to deliver more innovation. There are greater opportunities for providers to work creatively to deliver solutions. Although this is happening in some areas, there are opportunities to extend this approach, for example, through the Health & Well Being Board. The council's market position statement for health and social care is an important step towards improved engagement of the provider market. The council may benefit from talking to others who have been using this such as East Sussex and the 'Towards Excellence in Adult Social Care' programme authorities to develop a better understanding of the market for services.

The council has recognised the role the community and voluntary sector can play in achieving outcomes and have recently let a contract to VAST to develop the sector. However, on-going active engagement by the council will be required to help them fulfil their potential.

## Working in partnership

The council has worked with partner agencies to develop a common set of joint priorities. This is challenging work and the shared ambition is a testimony to the spirit of partnership working, good relationships and goodwill in Staffordshire developed in recent years. This has included strengthening the partnership with Stoke on Trent – through the joint City Deal bid and work around the Local Enterprise Partnership (LEP).

The Health & Well Being Board and LEP have clear strategies in place with an agreed set of priorities that seek to tackle big ticket areas. Governance on the Health & Well Being Board has improved with joint chairs, although further work may be required in ensuring all partners, including districts, take a full role in going forward.

Feedback from partner agencies, the voluntary sector and district and parish councils has been generally very positive about their relationship with the County Council and a good level of trust exists between the public agencies in the county.

The council has worked particularly effectively with a number of district councils within the county. This includes agreeing four 'district deals' with district councils and recognising that one size does not fit all is an important approach. The peer team recognises the political and organisational reality of the relationships with eight very different districts and believes that building on 'coalitions of the willing' the County Council and districts will be able to build towards common priorities and pull in the same direction, which is likely to lead to a stronger improvement in outcomes for residents. Senior political leaders and officers from across the county should continue to work hard to make this a reality.

There are a number of examples of partnership working at the strategic level of which the partner agencies should be proud. This includes; City Deal, i54, Stoke and Staffordshire NHS Trust and Healthy Tamworth. The creation of Entrust – a joint venture between the County Council and Capita for education support services – is a good example of the council taking a mature approach to engaging with a strategic partner. This enables it to access more funding, capacity and expertise, whilst retaining a stake in the new organisation.

For many partners, the County Council is the natural leader. However, to enhance partnership working, adopting a more collaborative leadership model is likely to deliver better outcomes for Staffordshire. The peer team received a range of feedback on the Staffordshire Partnership. It is therefore difficult to make an objective judgement on its effectiveness. The Partnership therefore needs to reassure itself that its current structure and operation is fit for purpose to deliver the ambition.

The Health & Well Being Board has started to think how it will translate strategy into delivery and has a phased programme with clearly identified priorities. The particular issues presented by system failure in the NHS acute sector and the outcome of the Trust Special Administrator are challenging, but also present an immediate opportunity to jointly design and agree a way forward for health and social care in Staffordshire. Further work to develop Board level relationships, recognising that some organisations are still relatively new, supported by a clear investment and delivery plan for the whole system should be considered and would help support this delivery.

## **Engaging with communities**

A considerable number of engagement and consultation mechanisms exist to enable residents views and voice to be heard, including; district people's panels, the rural community council, CCG patient involvement panels, village agents, VAST, the County Council's residents tracker, initiatives like 'Feeling the Difference', Engaging Communities Staffordshire, business engagement events and numerous service specific consultations being undertaken by the public agencies in the county.

Political leadership is seen by the voluntary sector to be supportive of community engagement. The commissioning of the voluntary and community sector infrastructure service included a pooled budget arrangement between the council and Newcastle-under-Lyme district council. VAST is commissioned by the council to improve the contract readiness of individual voluntary organisations. This is helping prepare existing local organisations and the market to engage in future delivery.

A wide range of data, including feedback from local elected members and consultations, has created a strong council customer insight capability, to enable a better understanding of residents' and communities views. There is evidence that service users views are sought to inform commissioning plans and to provide differentiated services across the county, for example in the current substance misuse commissioning process. There is a need to ensure the customer insight is recognisable in localities and on the front line.

There are a variety of options for ensuring community engagement is more robust, consistent and linked more strongly into commissioning local priorities. A new locality arrangement which brings together local members, district commissioning leads, community partnership staff, district public health commissioners and local agencies may be one way of ensuring the voice of communities becomes more embedded in the commissioning approach for local priorities as well as assisting with participatory and or community budgeting concepts. Approaches like the one taken in Durham to its Area Action Partnerships may provide useful learning and reflection for the council.

As a high proportion of the council's own staff are Staffordshire residents, there is an opportunity for the council to leverage the use of its own staff as advocates. Many parts of the country are considering the community budgeting approach. As the partner agencies embrace joint commissioning more consistently this is something partners may wish to explore.

## **Leadership and governance**

The council's ambition to commission and achieve excellence is bold and is understood by senior members and officers. Feedback from partner agencies strongly indicates that they welcome the approach and sense of purpose to deliver better outcomes for Staffordshire over the last four years with the council adopting a collaborative leadership model with partners. There is a strong sense of pride in Staffordshire and this is a significant asset on which the council can build. Overall relationships between members and officers are good, with mutual respect towards each other.

The council has worked to widen the leadership of the 'commissioning council' by working with its top 150 managers to better understand commissioning and the role middle managers play in 'making it happen'. Work has been undertaken to develop the organisation's leadership capacity through the Performance Culture Programme.

The biggest single leadership challenge in the next couple of years will be to translate the concept of commissioning into stronger implementation for improved outcomes in the priority areas. Senior members, officers and partner representatives need to work together consistently to visibly lead this work and drive its delivery. The organisation is likely to need to invest in developing its leadership capacity in this different world. The council recognises this through the use of its Performance Culture Programme, its wider organisational development work and seeking to draw on its top managers. The concept of achieving excellence in commissioning needs to be explained to local people and agencies.

Getting and maintaining the support of middle managers will be fundamental to such a large-scale shift in the council's approach. Early work has been undertaken to involve middle managers and offer support to develop their leadership skills and understanding of commissioning. The use of a senior manager network/forum may be one way of engaging middle managers in the implementation of the work as it rolls out, thereby spreading ownership. Using the performance framework to shape and evaluate middle managers performance is also likely to help.

There is potential to tap the resource non-Executive members provide in addition to their local community leadership activities, through a new role for the council's scrutiny function. This would need to be carefully thought through and the council might want to consider engaging the Centre for Public Scrutiny to help develop the concept and use it as an opportunity to develop a deep understanding of the commissioning function. This should be focused on enabling members to be involved early on in a positive, constructive, approach for scrutiny to examine commissioning proposals and throughout the on-going delivery to monitor and evaluate the delivery of outcomes. This may assist in strengthening democratic engagement and accountability of commissioned services.

## **Financial viability and organisational capacity**

At the time of the peer challenge in September 2013, the council had a clear Medium Term Financial Strategy and was in a sound financial position, particularly compared to many other local authorities. It was acknowledged that, similar to all other local authorities and the public sector overall, that there is significant financial uncertainty ahead but the council's focus on a radical new approach appears to position it to respond well.

The council has made a financial savings of £133m over the past four years. The council has mapped the public sector spend in Staffordshire (of around £7.5bn), which provides a good platform to inform commissioning activity.

Council property and assets are being used effectively. The council has made an investment in areas like the Transformation Unit and organisational development function to boost its capacity to manage the transition to being a different kind of council. It has

also invested in developing its intellectual capacity to develop the commissioning concept for Staffordshire including a series of 'think pieces' and associated work. The council has a set of organisational development interventions which lend themselves to supporting the transition. The council has also boosted its capacity in key areas like procurement specialisms by bringing in Capita on a flexible basis.

Looking to the future, if the partner agencies are to collectively make a significant impact on improving outcomes and manage demand for services through influencing the public sector spend in the county, they will need to be able to recognise the interdependencies in order to more greatly influence the public sector spend in the county and work together to do things differently. This will require mature discussion and recognition that organisations are at different points in their thinking about resources and with differing levels of maturity and capacity to move more quickly. There needs to be collective leadership to determine how resources should be used.

It will be important to monitor the organisation's capacity on an on-going basis as the commissioning work rolls out further. The overall changes the council is working on will require a different organisational culture. The characteristics of the desired culture are captured in the vision, values and behaviour framework and the main challenge will be ensuring this is translated through to how staff behave, performance is judged, talent is managed and new staff are recruited. The initial signs on this are positive.

Effective procurement is a key foundation for the new operating model and attention needs to be paid to ensure the way it is undertaken in all cases supports the mission. When it is consistently done well, there will be the potential to create a single procurement function for Staffordshire. Parochial interests within partner agencies and some district councils are currently a barrier to this development. Senior officers can play a key role in tackling these issues to create better use of procurement knowledge, expertise and consistency, if the partners determine there is a sound basis for this consolidation in helping them deliver better outcomes for residents.

Finally, we would like to thank colleagues and members at Staffordshire, especially Jon Vining, Kieran Smith and their colleagues for their support in the lead up to the peer challenge and during the challenge itself. The council embraced the challenge positively and supported the process very well.

We have offered further discussions and a follow up visit from members of the peer team if that would be helpful. This would be aimed at building on the outcomes from the peer challenge and enabling the council to reflect on the outcomes from the challenge. The council is still in the process of determining the need or focus of the follow up visit and we will explore this over the coming months.

### How the peer challenge aims to add value

The LGA is keen to understand how peer challenge can add real benefits for the council. We will evaluate the peer challenge, but we are also keen to track the benefits the council have derived from the work. The benefits will be explored sometime after the peer challenge. However, the peer team have identified the following likely significant benefits from this peer challenge:

- **The drive to further accelerate progress on priority areas, especially on growing the economy** – the peer challenge has identified the need for a more consistent joined up approach across the council and the need for better support from managers to accelerate delivery. This will also include a more rapid move to priority led budgeting, consideration of other service delivery models for some services and taking actions on existing assets.
- **Sustain the positive pressure on the planning function to further improve** – maintain the direction of improvement for planning to ensure this now delivers improved performance. Although the council is undertaking work in this area, the peer challenge should trigger a refocusing of effort in this area, including the wider planning performance, such as legal services.
- **Changing approach to service users** – making progress on a more joined up approach to customer information from across the organisation and beginning to move more customer enquiries and transactions to online delivery.