

# Corporate Peer Challenge

## **Stockport Metropolitan Borough Council**

June 2013

Report

## Background and scope of the peer challenge

On behalf of the team, I would like to emphasise how much we enjoyed spending time in Stockport to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received, the openness 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 desire for constructive external insight that Stockport MBC commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the this corporate challenge were:

- Richard Carr, Chief Executive, Central Bedfordshire Council (lead peer)
- Councillor Cec Tallack, Former Leader, Liberal Democrat, Milton Keynes Council
- Councillor Ross Willmott, Former Leader, Labour, Leicester City Council
- Martin Nottage, Tri-Borough Director for Innovation & Change, London Borough of Hammersmith & Fulham, Royal Borough of Kensington & Chelsea, Westminster City Council
- Professor Ros Keeton, Chief Executive, Birmingham's Women's NHS Foundation Trust
- 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 councils' 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:

- ❖ Managing change
- ❖ Delivering sustainable growth
- ❖ Reforming services to manage demand and promote independence

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 we were in Stockport and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

## **Executive summary**

The council is in a period of significant change. Particularly over the last three years, major changes have been made to the way services are structured and delivered.

The council has been active in wider work across Greater Manchester aimed at reducing overall demand for public services across the conurbation. The public service reform work across the area being undertaken by the Association of Greater Manchester Authorities (AGMA) has national profile, is exciting and innovative. It is now time to move this work to the delivery phase.

The council has had a number of successes in delivering change and measures designed to reduce demand for some services. This is challenging work, where the outcomes for local people will be seen in the medium to longer-term and are often difficult to identify in the short term. The council must keep focused on using the change and public service reform work to deliver better outcomes for local people, particularly narrowing the gap in inequalities within the borough.

The council has delivered over £15m of financial savings since 2010 and its committed plans for further savings are on track. Like many local authorities, the need to make significant financial savings provides a significant part of the context for the future change in the organisation.

The council is managing a considerable number of change projects. Managing the interdependencies between these different projects will require the council to take a stronger programme management approach. The development of a single cohesive programme, supported by a clear and consistent narrative underpinning the totality of Stockport's change agenda is an essential next stage. This should enable what might otherwise be seen as separate and unrelated projects to be managed as a more coherent whole and provide reassurance to members and senior officers that improvements to services and, indeed, to Stockport as a place, are being delivered for local people and that planned savings are achieved. This will require a new approach from senior managers. An approach which provides more support for change, which cuts across service boundaries and strengthens the accountability of managers in terms of delivering change.

The economic vision for the borough is bold. At the heart of this sits the plans to redevelop and reshape Stockport town centre. This is a considerable challenge, particularly in the current economic climate. A number of positive developments over recent years mean that the plans to revitalise the local economy are set on a firm foundation. This includes recent physical redevelopments like St Peter's Square, investment in Stockport market and strategic land acquisition. There is a clear plan for economic development but it is essential to make the connection between this agenda and the council's wider work on reducing demand for public services. Some operational

decisions if left unchecked are likely to detract from Stockport's attractiveness to business. The regeneration of the local economy will be the single biggest driver of improvement in the borough. Officers from across the council need to be aware that an improved and vibrant Stockport will contribute to driving down demand on public services.

One of the most significant components of Stockport's drive to reduce demand and promote independence is its work around the integration of health and social care services. This is currently progressing, with some examples of excellent progress in services like mental health and intermediate care. The council has also embraced the Public Health agenda enthusiastically and embedded capacity within the clinical commissioning group, which is innovative.

However, Stockport needs to implement reform at a scale and pace to match the financial challenges coming. The twin challenges for health and social care integration are bringing together the two structures, processes, procedures and systems and more fundamentally, delivering improved outcomes for residents. There is a need to maintain the pace of change with integration to ensure the next phase provides truly joined up services focused on the needs of local people and can begin to drive down demand. The early signs are good, but it is still too early to judge the effectiveness of reducing demand as current work has yet to make a coherent impact on the kind of behaviours that require a medium to longer-term focus. The key challenge will be to move quickly from a focus on structural integration onto how this integration delivers positive impacts on outcomes for local people and on reducing demand.

Overall, the council is making progress on managing large-scale change, economic development and taking the first steps which should help reduce demand for services. Each of these on its own is a significant challenge. The current signs are positive but the council needs to take the next steps to deliver performance to the level required by the scale of the challenges now facing the authority and the borough.

## Detailed findings

### Managing change

The council has been undergoing significant change for the last three years in particular. The changes made so far have created a solid platform upon which future improvement can be built. At its core this includes creating a solid financial position, having many passionate and enthusiastic members and staff and providing sound core services. The council is ambitious. It aims to deliver improved outcomes for residents, a better place and make further financial savings.

There has been considerable feedback within the council that senior management is prepared to 'front' change with staff. This signals a change in approach from the very top of the organisation and is welcomed by staff. There is a general acceptance amongst staff that change needs to happen either because of a compelling case for improving outcomes for local people or to tackle the financial challenges all local authorities are facing.

A significant amount of the council's transformation work is focused around the Business Improvement, Transformation and Efficiency (BITE) programme. BITE 1 in 2010 delivered a number of changes which generated a tangible saving of £15.6m. BITE 2 began in 2012 and is aligned to deliver savings over a two-year time frame from 2013 to 2015. The member Gateway Challenge has proved useful in providing an early test of savings proposals. The committed savings for 2013/14 seem secure.

A number of separate projects and initiatives are underway which are designed to move the council to a range of different delivery models for services in future years. This includes:

- developing work in customer services to move residents to new channels of delivery
- integrating health and social care services
- establishment of an AGMA strategic procurement service

Some co-location of services has taken place, for example at Fred Perry House, which bring together the council, police and Citizens Advice Bureau and provide a platform for further integration. Corporate and support services are in the process of being reorganised with a view to providing more effective support, whilst also reducing duplication and generating a financial saving. There are impressive examples where local people have been involved in the co-design of services, for example, mental health services. These are good examples of how service users might be involved more widely in future change.

However, consistent feedback from across the council at different levels has identified that there needs to be a clearer articulation of the narrative for change i.e. the 'big picture'. Whilst at an operational level the majority of officers are understandably focused on the implications of change on their role, it is important that transformation is set within a framework. The framework is intended to give members, officers and residents a coherent understanding of where transformation is leading for Stockport as a place, for its residents and for the organisation. To accelerate the pace of change it will be essential to manage the transformation work as a single cohesive programme across the whole council and

partners. Large-scale change within services needs to be managed in a more unified way to bring more discipline and rigour. The development of a high level programme board and supporting infrastructure and processes (possibly including thematic management boards) is essential to make transformation coherent and successful. A higher degree of programme management rigour and discipline will be required. This would also strengthen the council's ability to manage the inter-dependencies and risks between different change projects.

Current work on transformation needs to be further strengthened by more consistently relating projects to identifiable milestones and aligned financial plans. This will ensure tighter monitoring and reassurance on the delivery of benefits, including the required savings.

People sit at the heart of transformational change. If the council is to make a step change, it needs to widen the involvement of managers: creating opportunities for co-design, assigning responsibilities and holding people to account. The creation and implementation of an organisation development strategy represents an opportunity to equip all managers for this. The council needs to be clear about the risks associated with its current reliance on voluntary redundancies. These risks include a loss of skills and expertise that might be needed in the future and of retaining for longer than might be desirable, managers who do not have a stake in Stockport's future. To help mitigate some of these risks, particularly around skills and resilience, the council should look for ways to accelerate its organisational development work and specifically develop a Talent Management strategy. Senior management need also to create opportunities for staff to work together more collaboratively though away days and similar activity.

The council needs to manage the financial risk around the delivery of the savings in the BITE 2 programme throughout 2013/14 and beyond. The council is likely to benefit from slimming down its consultation process on change proposals, without losing the opportunities for engagement. The council needs to ensure it does not lose some of its best talent (and valuable skills for the transformation) through the current voluntary redundancy process.

## **Delivering sustainable local growth**

Stockport borough has a number of strengths on which it can continue to build in order to revitalise the town centre and make the borough a destination of choice for inward investment. This includes:

- overall higher than average educational attainment
- the attractiveness and relative affluence of many of the borough's districts
- transport infrastructure and connectivity
- proximity to Manchester city centre
- the presence of a number of high value employers such as Adidas, Co-operative Bank and NXP Semiconductors

Stockport has a track record of attracting and retaining major employers like Sky and Robinsons Brewery. The borough has a network of strong district centres. The overall

economic development vision for the borough is bold and resonates with private sector partners. One of the council's overall priorities is to narrow inequalities across the borough. Economic development is a positive driver of change. The focus therefore on Stockport town centre in terms of economic development feels appropriate and can be used to drive down inequality.

The council's senior management has credibility and drive to deliver the vision. The council has enabled positive physical development and activities to stimulate local business such as the engagement of a development partner for Stockport Exchange. The council has had some noteworthy achievements, including:

- St Peter's Square redevelopment
- investment in Stockport market to try and evolve its role into a more dynamic attraction
- strategic land acquisition e.g. Stockport Exchange upon which building has commenced
- attracting Manchester Metropolitan University to open a new facility focused on crafts and ceramics

However, the scale of the challenge to regenerate Stockport town centre should not be underestimated. Like most UK towns, Stockport's regeneration is being stymied by the slow economic recovery. As a result, the pace of economic development in Stockport town centre is likely to be slower than all stakeholders would like. The scale of the regeneration challenge in Stockport town centre will require members and partner agencies to hold their nerve for the medium to longer term. The council needs to provide consistent and clear leadership over time based on a political consensus.

There appears to be some level of disconnect between the high level aspirations for economic development and some operational decisions which will have a significant wider impact on the attractiveness of Stockport town centre as a destination of choice. For example, decisions about the quality of public realm and signage. If Stockport is to meet its aspiration to attract high value businesses to the borough, it must ensure wider operational decisions support plans for economic development. Regeneration brings wider benefits than economic development. It is important to exploit the connection between the economic development and the council's wider work around reducing demand for public services. There is an opportunity to position the work on economic development as part of this wider agenda around managing demand for public services, increasing independence and reducing inequality. Communicating this to staff not directly connected with economic development will help make this more widely understood across the organisation and its partners and help steer operational decision-making and prioritisation, particularly over the use of scarce resources .

## **Reforming services to manage demand and promote independence**

The council is part of a programme of public service reform with the other Greater Manchester local authorities and partner organisations. This programme aims to increase the self-reliance and independence of communities, and thereby reduce future demand for public services recognising interdependencies across a wider geographic area. At the Greater Manchester level, there is a sharing of expertise and significant engagement with Government. The work across Greater Manchester has great potential.

The integration of health and social care is a significant part of the public service reform agenda. Stockport has some examples of excellent progress such as the creation of personal health budgets for mental health service users and the People Powered Health initiative. The current integrated services are working effectively. These include the community mental health team and intermediate care team. This and recent initiatives such as Stockport One provide a good foundation for further integration. Passionate and enthusiastic frontline staff want to make the integration work on the ground.

The council has embraced Public Health enthusiastically and has embedded capacity within the clinical commissioning group. This innovative approach should assist with future commissioning of services and demand management. Good relationships exist between the council and the local health community. This gives Stockport a platform for greater public sector reform.

However, Stockport needs to implement reform at a scale and pace to match the financial challenges coming. Previous points the peer team have made under the managing change theme, about the importance of clarity of programme, also apply to work in public service reform. Confidence in the impact of the Greater Manchester public sector reform work would be greater if there was more evidence of sharing of less contentious support services.

The twin challenges for health and social care integration are bringing together structures, processes, procedures and systems and more fundamentally, delivering improved outcomes for residents. Whilst the previous focus has been on bringing the structures together, future work needs to be care pathway led. It is critical to ensure that activities lead to improved outcomes. Currently there is not sufficient evidence that this is the case. Notable challenges still exist around sharing information, the assessment process and the duplication of some procedures. There is a need for a shared coherent IT system which will enable services to have a single view of service users. This will include full implementation of information sharing protocols. Although protocols exist there are a number of operational examples where information sharing is not taking place on the ground. There is also a need for a single assessment process to reduce duplication. Overall, there is a need to consistently design health and social care (processes, procedures and systems) around the needs of residents to deliver improved outcomes. Torbay, North East Lincolnshire and Hammersmith and Fulham are all examples of places making good progress on health and social care integration and the council may find these useful to look at more closely.

Early intervention services need to be targeted at high risk groups. In order to manage demand effectively, it is important to be able to segment or stratify risk within the

population to enable early intervention. This issue has been recognised by the council and the current approach needs revisiting.

The council also faces challenges in reducing demand for some of its other services. Although work has been underway for some time in aiming to move customers away from face to face contact and towards online self help, the number of face to face, telephone and online enquiries and transactions has remained effectively the same over the last three years. More focus is required in moving more enquiries and transactions, online.

## **Leadership and governance**

The overall relationships between members and officers are good, with mutual respect towards each other. The council's position of no overall political control brings challenges. The council is handling this challenge well, for example, through Group Leader briefings. The council is using member seminars to work across the political groups to explore major strategic challenges and gain wider buy in or understanding.

The recent launch of the Senior Manager Network is an encouraging development.

The biggest single leadership challenge in the next couple of years will be to steer and deliver the transformation agenda. Senior members and officers need to work together consistently to visibly lead transformation and drive its delivery. This will also create additional capacity to manage the transformation work, but the organisation is likely to need to invest in developing this capacity through organisational development. Senior officers should have clear, real and meaningful change leadership role. It is likely they will need developmental support to fulfil these roles effectively. The transformation story needs to be explained to local people. Some senior managers are stepping up and embracing the change programme and it is now time for others to similarly rise to the challenge.

## **Organisational capacity and financial viability**

Much of the organisational capacity focus has been explored under the 'managing change' theme. The council has a stable workforce. This stability and the clear passion of the frontline staff we met are a key building block for the council. The council has a set of organisational development interventions which lend themselves to supporting the change programme. The council is in a better financial position than many of its neighbouring authorities who have a high dependency on Government grant and weaker council tax base, while Stockport and has made sensible decisions about reserves.

The review of corporate services needs to account for the scale of the workload associated with delivering the transformation. IT should play a key enabling role in supporting transformation. This is currently not the case. Service transformation appears to be driven from within service areas and IT is reactive to issues or in some cases has different priorities. Many private sector organisations benefit from a "business analyst" treating council services as "customers". Directorates are acquiring IT products and technology separately to procurements driven by the IT service. This has led to a complex

IT estate. The IT function needs to change the emphasis of its approach to adopt a more client relationship approach, based around IT being engaged early in discussions around developing new business processes. Developing this role and capability is likely to be really beneficial. This might require some investment. Equally services need to be prepared to accept sub-optimal solutions to their needs, if this is what is required bearing in mind the council's overall priorities and needs.

The overall changes the council is working on will require a different organisational culture. The characteristics of the desired culture are likely to include adaptability, coherence, a joined up approach and a recognition that the world in which local government operates is far less certain than the past. Feedback from staff indicates that further progress needs to be made in these areas.

Finally, we would like to thank colleagues and members at Stockport MBC 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 well.

We have discussed the benefit of a follow up visit from members of the peer team. This is 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.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Carr', written in a cursive style.

Richard Carr  
Chief Executive, Central Bedfordshire Council  
Lead Peer

### 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:

- **External challenge provided reassurance on the progress on the transformation, economic development and health/social care integration agendas** – the peer challenge has been able to surface issues within the council in an objective and challenging way. This should confirm to the council that good progress has been made in these three major areas. It has also enabled a robust challenge and validation of work planned, which provides insights to the council.
- **Better co-ordination and future management of transformation work** – the peer challenge aims to trigger a reshaping of the approach to transformation, including clearer communication of the ‘narrative’ for change, more coherent management of the different change projects and reassurance on the delivery of savings through the establishment of an appropriate supporting infrastructure that drives and facilitates change. Senior managers will have clearly articulated roles that they understand and accept in leading change across the organisation. An organisational development strategy will be developed aligned to the council’s priorities and is seen as an integral part of the council’s transformation journey. Performance management underpins the desired culture with assessment against values (behaviours) as well as delivery of individual targets. Senior managers will have targets that might relate to work spanning more than just their own directorate.
- **Health and social care integration leading to improving outcomes** – the peer challenge aims to act as a catalyst for the development of a business case for the implementation of locality based integrated health and social care services. This will include being able to demonstrate a range of approaches to manage urgent care, accident and emergency targets being met and a reducing level of hospital admissions and delayed hospital discharges.