

Corporate Peer Challenge **City of Stoke-on-Trent Council**

8th-11th November 2016

Feedback Report

1. Executive Summary

The City of Stoke-on-Trent Council has clear and relevant ambitions for the future. These are articulated effectively through the 'Stronger Together' strategic objectives. As a result there are good levels of awareness and understanding amongst staff, partners and many external stakeholders about what the Council is striving to achieve. The overall direction of travel makes sense to people. The priorities feel appropriate, and have been informed by analysis and engagement as well as political aspirations and imperatives. The focus on supporting residents to fulfil their potential, enabling businesses to thrive, safeguarding vulnerable people, strengthening communities, and making the Council more efficient and commercial are pertinent given the issues and challenges facing the City and Council.

The Council appreciates it cannot deliver its priorities without the support, co-operation and capacity of others. It has worked hard to improve its strategic leadership and further develop relationships and involvement of partners and other stakeholders across the public, private and voluntary sectors. This is reflected by a range of impressive projects, initiatives and activity that are delivering regeneration, economic growth (jobs and housing), and primary school improvement across the City. This is helping to make a positive difference and is starting to deliver the ambitions set out in Stronger Together.

To ensure it can continue to deliver the ambitious agenda the Council needs to urgently get a stronger grip of the financial challenge it is facing. This is reflected to some extent in the emerging Medium Term Financial Strategy. But the challenge is significant and should not be underestimated. There is a need to take robust and immediate action to place the budget on a more sustainable basis, and plan strategically over the medium term. For this to succeed, a comprehensive and multi-faceted strategy will be required. This will need to be underpinned by robust forecasting and realistic base budgeting, timely monitoring and reporting and prompt action to address issues as they arise. Strong, stable and sustained leadership will be required to take the inevitable tough decisions and ensure implementation. There is a big job to do. The political and managerial leadership will need to collectively focus on this as the highest priority.

A stronger and more explicit link between the Stronger Together strategic plan, the medium term financial strategy and an organisational development plan is needed. This will provide a cohesive and compelling narrative about what the Council is striving to achieve, how it will remain financially viable, and the change and transformation needed to enable the organisation to deliver in the most effective way. This is important given the ambitious number of projects, initiatives and priorities which the Council wants to deliver, and an uncertainty amongst some stakeholders about whether the Council has the capacity to deliver everything. Robust prioritisation and delivery plans will be needed to ensure capacity matches ambitions.

The Council, with partners, is determined to continue to enhance and improve the external reputation and perception of the City. It rightly sees this as key to better exploiting some of the fantastic assets and characteristics the City has to attract further investment and growth. Achieving the European City of Sport for 2016 and bidding for the UK City of Culture 2021 are notable opportunities to showcase the City and its positive attributes. They also are contributing to a real sense of collective excitement

within the Council about the long term future of the City. A more cohesive vision for the economic and physical development of the City as a place will help to join up and co-ordinate the growing array of programmes, projects and initiatives and maximise their impact.

Staff and stakeholders cited good working relationships between officers and members and welcomed the visibility of political and managerial leaders. Inside the organisation there is growing culture of feeling empowered, valued and trusted. There is a palpable sense of optimism, ambition and excitement about the future from managers and staff. There are good levels of self-awareness about where there is more to do in order for the Council to reach its potential. There is a renewed focus on performance management, an increasing commitment to develop new and innovative models of service delivery. And a recognition that the traditional and paternal relationship between Council and citizen needs to be re-balanced. These characteristics provide the foundations and facets for further improvement and development. While the direction of travel looks right, the Council knows it is still near the start of its Stronger Together journey. As such many of these positive characteristics need to be developed and embedded further.

2. Key recommendations

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

- 1) **Take robust and immediate action to stabilise the budget, and develop a realistic medium term financial strategy.** The financial challenge facing the Council is very significant and urgent. The Council needs a comprehensive and sophisticated strategy to meet the funding gap over the medium term which we were told is intended to form part of the emerging Medium Term Financial Strategy. How the Council is planning to spread risk, increase resilience and ensure financial sustainability needs to be documented in more detail, backed by tangible delivery plans, delivering individual accountability and collective responsibility.
- 2) **Develop a clear and compelling narrative about the financial challenge and communicate it widely.** Notwithstanding the annual budget consultation exercise, there appears to be very little communication to residents, partners and other stakeholders about the reasons for the overall financial challenge facing the Council and the strategy to address it. A narrative about this will help increase awareness and manage expectations and better enable the Council to explain ruthless prioritisation. It may also help better position others to contribute to the delivery of strategic outcomes.
- 3) **Consider how the organisation needs to evolve and develop further to deliver Stronger Together.** There is a clear vision and priorities about what the Council wants to achieve. But less narrative about how the Council as an organisation will change and transform to deliver that. Continue to progress the work on a people management strategy and directorate workforce plans,

ensuring they are informed by an overall organisational development vision aligned to the Stronger Together Strategic Plan and Medium Term Financial Strategy.

- 4) **Take further action to improve the reputation and perception of City.** Consider with partners and other stakeholders – including business, voluntary sector and citizens along with the Local Enterprise Partnership (LEP) - what more can be done to promote the assets and characteristics of the City in order to continue to attract investment and growth.
- 5) **Continue to build on your partnerships and relationships in and beyond the City and wider region.** Continue to actively participate and contribute to a range of partnerships using your strengths, experience and leadership, and make every contact count in the formal and informal relationships and dialogue the Council is involved in. Be clear on what the Council's offer is as well as what it's 'asks' are.
- 6) **As the 'Leader of Place', consider how best to bring together the range of current and future place shaping activities into one overall statement of ambition.** A more cohesive vision for the economic and physical development of the City as a place will provide a 'strategic wrapper' to help join up and co-ordinate the growing array of programmes, projects and initiatives and maximise their impact and deliver the ambitious agenda for the City.
- 7) **Ensure you have effective mechanisms for prioritisation, project management and implementation plans to deliver your strategic priorities and objectives.** There may be a need to de-commission and de-prioritise where necessary. Effective and robust programme and project management will be essential too. The scheduling, sequencing and inter-dependencies between projects will need to be effectively managed and communicated to staff and others.
- 8) **Further invest in staff by introducing a recognition scheme.** We know you are planning to deliver this in the coming months and think it will be a positive development. Consider other ways to celebrate and reward good practice and successes and learn positively when things do not go to plan. Engage regularly with staff to help them shape the future and to capture opinions, ideas and sense check morale across the organisation.
- 9) **Continue to strengthen governance with a particular focus on performance, risk, decision-making, procurement, use of data and business intelligence.** Progress the work you have started. This will help further strengthen your ability and capacity to deliver the strategic priorities and objectives, and better demonstrate delivery, impact and return on investment.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the Council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with the Council. The peers who delivered the peer challenge at the City of Stoke-on-Trent were:

- Carole Mills – Chief Executive, Milton Keynes Council
- Councillor Clarence Barrett – Cabinet Member, London Borough of Havering
- Helen Grantham – Assistant Chief Executive, Wakefield Metropolitan District Council
- Perry Holmes, Chief Legal Officer, Medway Council
- Robin Porter, Corporate Director, Luton Borough Council
- Paul Clarke – Programme Manager, Local Government Association (LGA)

Scope and focus

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

1. Understanding of the local place and priority setting: Does the Council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Financial planning and viability: Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
4. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the Council influence, enable and leverage external capacity to focus on agreed outcomes?

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge every 4 to 5 years. The City of Stoke-on-Trent Council had a Corporate Peer Challenge in June 2012. Where relevant to do so, findings from that previous peer challenge have been referenced in this report.

The peer team prepared for this peer challenge by reviewing an extensive range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite at the Council, during which they:

- Spoke to nearly 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 40 meetings and additional research, reading and site visits.
- Collectively spent more than 200 hours to determine their findings – the equivalent of one person spending more than 6 weeks at City of Stoke-on-Trent Council.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (8-11th November 2016). In presenting feedback to the Council, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things the Council is already addressing and progressing.

4. Feedback

Understanding of the local place and priority setting: Does the Council understand its local context and place and use that to inform a clear vision and set of priorities?

The Council has agreed an ambitious agenda. This is articulated effectively through the 'Stronger Together' Strategic Plan 2016-20 which sets out the vision, priorities and strategic objectives over the medium term. They have been informed by extensive engagement, and analysis, and shaped by political imperatives – all of which combined provide a rational basis for the Plan. Objectives and priorities look to be relevant given the local context, and the challenges facing the Council and City. The focus on supporting residents to fulfil their potential, enabling businesses and towns to thrive,

safeguarding vulnerable people, strengthening communities, and making the council more efficient and commercial make sense.

The specific strategic objectives regarding health improvement, educational attainment, skills and housing all appear pivotal to raising the aspirations of the City and its citizens – a theme which was commonly cited by a range of stakeholders. There is clearly a good extent of consensus across partners about the priority needs for the City. This is reflected not only in stated priorities, but in action on the ground. There are also examples of where the Council has responded to more immediate priorities and issues for local residents – such as the response to communities’ concerns about litter and fly-tipping. We also noted the abundance of regeneration and public realm improvement occurring across the City – supported by an ambitious capital investment plan (planned investment of over £470million from 2016/17-2020/21) – although this is not explicitly referenced in or linked to Stronger Together.

There are good levels of awareness and understanding amongst staff and many external stakeholders of the Stronger Together message and priorities. They have an impressive amount of traction across the organisation given how recently the Strategic Plan was introduced. This suggests a clarity and consistency to the way the political and managerial leadership are communicating the vision. It also suggests a latent desire on behalf of staff and stakeholders to respond positively to a visible and well-articulated vision. There is a palpable sense of ambition and excitement across the organisation. People we met – including elected members and officers - clearly care about City and people they serve and want to deliver great outcomes. They understand the direction of travel and there is optimism about the future and the potential for the Council, working with others, to deliver real and tangible improvement to the City. There is a general mood that ‘Stoke is on the up’. This is a great asset for the Council as it continues its journey to ‘create a stronger city that we can all be proud of’.

To maximise the Council’s impact there is scope to further the use of data and business intelligence to inform priorities and action. We know the Council is committed to doing this. The recent development of a new performance management framework aligned to Stronger Together is a good start. It translates the vision and priorities into strategic objectives, which in turn are supported by an Annual Delivery Plan that lists the key actions, initiatives and programmes of work. A set of performance measures has recently been developed to monitor and demonstrate delivery against priorities. This makes sense and is sound practice. But measures are very new and the approach to target setting still needs to be developed.

In developing things further there is scope to adopt a more sophisticated approach that combines and joins up risk and opportunity management, active and timely financial monitoring and customer feedback and insight. This will help the Council develop a more rounded and better understanding of the impact of its investment, delivery and interventions and know that it is delivering against its stated priorities. It will also help to demonstrate the clear and noticeable difference citizens can expect to see by 2020.

Leadership of Place: Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

The LGA Corporate Peer Challenge in 2012 suggested there was an opportunity for the Council to leverage partner capacity and good will to a greater extent to help it achieve its aims for the City. Through its political administration and senior management team, the Council has obviously worked hard to enable this and is making good progress. The Council is clearly leading, influencing and contributing to an array of programmes, projects and activity that support the development of the City as a place – particularly in terms of physical regeneration and supporting wider economic growth.

Many of these involve partners and other stakeholders across the public, private and voluntary sectors, and are delivering regeneration and economic growth including job creation and house building. Staffordshire University Investment Programme, City Centre development, and Ceramic Valley Enterprise Zone are just a few examples of this. Enhanced relationships with schools and the establishment of a School Improvement Network have helped support notable improvement in primary school performance across the City. There is clearly a lot of positive activity, built on increasingly good relationships, collaboration and a shared understanding and priorities. Partnerships and relationships generally look to be providing a good basis for the future.

Ensuring that scheduling, sequencing and inter-dependencies between projects are effectively managed and communicated to staff, partners and local communities was a feedback message from the previous Peer Challenge. To an extent that observation still stands. In particular, a more cohesive vision for the economic and physical development of the City as a place will provide a 'strategic wrapper' to help join up and co-ordinate the growing array of programmes, projects and initiatives and maximise their impact and deliver the ambitious agenda for the City.

In progressing this, the Council will need to be mindful of the tensions between the six towns and the whole City as regards the development of Stoke-on-Trent as a place. There is still some 'innate parochialism' that will need to be overcome. This is understandable to an extent given the history. But the Council will need to find a way of effectively managing expectations, and communicating the wider benefits to all of developments that are progressed in the city centre and certain towns if the City of Stoke-on-Trent is to maximise its potential. The development of the city centre and the individual towns are not mutually exclusive and the plans for their development need to be better connected.

Linked to this is the continued need to improve the external reputation and perception of the City. We know this is something the Council, with its partners, recognises and is determined to improve. It rightly sees this as key to better exploiting some of the fantastic assets and characteristics the City has to offer - including its location, connectivity, loyal workforce, housing market and a rapidly growing economy. Becoming the European City of Sport for 2016 and bidding for the UK City of Culture 2021 are notable opportunities to showcase the City and its positive attributes. And we know the Council is actively pursuing opportunities through international visits and trade fairs. But there is more to be done.

The Council appreciates the importance of building relationships and links with key stakeholders beyond statutory partners, in order to represent, advocate and champion the needs of the City. It is working with a range of partners to ensure housing growth. It has negotiated and liaised with central Government to secure funding for new and innovative ways of working - for example the District Heat Network. It is engaging and collaborating with two Local Enterprise Partnerships (LEPs) and six neighbouring councils through the Northern Gateway Development Zone to ensure the City gets maximum benefits from HS2 investment in the region. As the Council looks to exploit further opportunities to leverage external capacity and resources, and further its reputation as a trusted delivery partner, it will need to ensure it provides clarity on what its 'offer' is as well as what the 'asks' are. The media, voluntary and community sector and citizens have a part to play in this and continued engagement needs to provide opportunities for this to develop.

Financial planning and viability: Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

The Council has historically delivered a balanced budget, and broadly achieved its overall savings requirements over the last few years. There is an innate confidence from the political leadership about the ability to continue to respond to the financial challenge facing the Council. However, given the financial challenge has built up over many years, it is very significant and should not be underestimated. It is important not to be over confident. The Council recognises to some extent that it needs to urgently get a better grip of it. We were told this is reflected in the emerging Medium Term Financial Strategy. It is of critical importance that this is fully followed through and addressed.

There have been substantial overspends on certain services (e.g. Children's Services), which are offset by underspends elsewhere (e.g. treasury management) – suggesting that while savings are achieved, it is not always in the way initially intended. For 2016/17 £15.45 million of reserves are being used to balance the budget. The Council chose not to raise Council Tax or take advantage of the 2% social care levy – something the vast majority of other councils did. Budget monitoring suggests significant current in-year overspends in the Children, Adults and Family Services budget, despite increases to some base-budgets. The funding gap facing the Council over the next three years is sizeable (approximately £61 million over the period 2017/18-2019/20 when known additional pressures are taken into account). The level of general fund balance is now low in comparison to other unitary councils. Council tax collection rates appear lower than many other unitary councils.

All of this suggests a need for the Council to continue to take robust and urgent action to stabilise the budget, place finances on a sustainable basis and plan more strategically for the medium term. The Council is working on this currently. It has already identified some of the savings and additional income to offset the funding gap, and we appreciate further proposals are being developed for consultation. Senior politicians and managers are able to articulate some key elements of a financial strategy – predicated on increased economic growth and commercialism. However, a more comprehensive, sophisticated and multi-faceted financial strategy will be required.

Many councils are adopting a diverse range of approaches as part of their medium term financial strategy in order to spread risk, increase resilience, and ensure sustainability. The City of Stoke on Trent Council is starting to do the same. It needs to further embed, explore, develop and implement approaches such as:

- Reducing demand for services through changing thresholds, early intervention, prevention activity and building community capacity and resilience
- Enabling and supporting economic growth to grow the council tax base and increase business rates income - through new homes, inward investment, new businesses, supporting the expansion of existing business, etc.
- Commercialism and income generation such as investing to create sustainable revenue streams, trading companies, property management, customer insight and reviewing fees and charges
- Smarter commissioning and procurement to achieve savings (e.g. through re-negotiating big contracts, categorising spend strategically and challenging high spend areas) and increase social value, and an increased focus on outcome-based commissioning to enable innovation and genuine co-creation
- Robust, realistic ongoing savings and efficiencies – ensuring that savings proposals are stress tested and deliverable so there is confidence that proposed savings will actually be delivered and that any additional revenue reductions that become possible enhance the overall efficiency rather than offset under delivery
- Ensuring absolute clarity on which members and officers are accountable for specific budget and savings delivery within an overall framework of collective accountability for the overall financial health of the Council
- Increased digitalisation to encourage and enable service users to access online and on mobile devices, reducing the costs of customer contact and transactions
- Ruthless prioritisation and de-prioritisation, including determining what to de-commission, scale down and stop
- Service transformation and new models of service delivery (e.g. shared services) and ways of working so that outcomes are achieved in a more cost effective way (and help reduce demand, increased digitalisation, etc.)
- Increases in Council Tax, including the social care levy. We appreciate this is a political decision but most other councils appear to be choosing to do this.
- Not using one-off reserves to fund on-going costs and savings requirements. While this can help to balance the budget and offset overspends, it is obviously not a sustainable approach.

The Council is already doing some of this. For some facets the Council is at the start of the journey, but the direction of travel is good. For others the council is a little further advanced. The Finance team have a good understanding of the current situation and the reasons for it. Economic growth is clearly happening – the City is one of the fastest growing city economies in the UK. The Council has an explicit strategic objective of becoming a commercial council and there are some examples of innovative initiatives (e.g. council owned housing company and energy supply company). An external review of Children’s Social Care Services has recently been commissioned (with support from

the LGA) to inform a financial improvement plan and make recommendations that that will help identify further efficiencies and reduce demand to address the perpetual overspends.

The Efficiency Plan 2016/17-2019/20 (submitted to support the acceptance of the Government's offer of a four year funding settlement) suggests the financial strategy is predicated on growth (jobs and employment, businesses, housing) and prevention/early intervention. It lists several approaches – including innovative ways of delivering services, developing a commercial approach, working with partners, and driving further productivity. However, in the absence of figures there is no sense of how much of the funding gap will be met by each of the approaches. Similarly in the budget 'Revenue Budget and Council Tax Setting 2016/17' report to the full Council meeting in February 2016 there is no information setting out what assumptions have been made to reach the figures for 2017/18 and beyond. It is therefore not possible to comment on the figures in terms of validity and deliverability.

There is clearly a need for greater transparency, accurate forecasting and realistic base budgets to underpin the financial strategy. Robust in-year monitoring, frequent reporting, regular risk management and proactive communication will also need to be in place to enable emerging necessary action to be taken at pace. The political and managerial leadership will need to collectively focus on this as a high priority. It will be critical to ensure that there is collective responsibility to stay committed, maintain momentum and drive through the proposals to ensure they deliver the projected savings. Inevitably not all proposals will realise their projected savings and/or income, or deliver within the intended timescales and sufficient contingencies will need to be built in to manage that. There will also be a need to challenge proposals and options in terms of their impact on the Stronger Together priorities. A stronger and more explicit link between the Stronger Together strategic plan, the medium term financial strategy and delivery plans is needed.

Communicating the strategy more widely to staff, partners and residents will be important so that all stakeholders know about the seriousness of the financial situation and the approaches the Council must take to address it. From the evidence presented we felt there is further work to do. There is a need for a compelling narrative and multi-layered communication. This will help pave the way for the inevitable tough choices and decisions that will be required. It will also help provide the rationale and reasoning behind investment decisions (e.g. capital programme schemes) at a time when people will see reductions and/or changes in some services and activities.

Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

Strong and stable leadership will be critical to your success in the medium term. It is particularly important given the significant change in the organisation's leadership – both political and managerial - that has occurred since the last Peer Challenge. Staff and partners cited stability and sustainability as being important, and vital in terms of building their confidence in the longer term vision and direction of travel. More immediately, the scale of the financial challenge - and the inevitable tough decisions that will be required to

achieve a balanced budget for next year and beyond – is seen to be a stern test of the leadership provided by the coalition and senior management team.

Working relationships between officers and Cabinet members look to be positive and based on mutual trust and respect. Staff and other stakeholders cited generally good working relationships between officers and members at the Council. ‘Member-led, officer managed’ was a term we heard on several occasions when people (both officers and members) described the relationship. Staff and stakeholders are seeing a more collaborative and collegiate approach alongside greater visibility of political and managerial leaders and welcome this. They feel listened to, engaged with and valued.

Based on those we met during the peer challenge process, the Council has positive and upbeat, talented staff who feel empowered and trusted. We have already mentioned the sense of optimism, energy and excitement about the future. This is a great asset for the organisation. The Council needs to build on this, and consider ways it can further invest in staff and celebrate and reward good practice and successes. The recently introduced Stronger Together Management Development Programme – designed in collaboration with Staffordshire University - is being well received by managers. An Operational Management Development Programme is planned – the content of which has been informed by engagement with managers. We know you are already considering a staff recognition scheme and think this will be a positive development.

Recognising that No Overall Control presents a new scenario for many officers and members, the Council has rightly looked to introduce new ways of working to support and strengthen leadership and governance. It recognises the importance of ensuring decision-making arrangements include opportunities for challenge. For example, the Shadow Cabinet arrangements are designed to enable collective and constructive political challenge to the Cabinet. A new wider Senior Management Team (Directors and Assistant Directors) is helping to bring together a more extensive range of managers and enable a more collective and shared ownership of challenges, and build the ‘One Council, One Vision, One Team’ ethos – albeit this has only recently been introduced.

We understand the Council is planning to review terms of reference of Council committees, including a potential realignment of the four existing Overview and Scrutiny Committees to better reflect the strategic priorities and objectives. This makes sense. In doing this, it will be important to appreciate that there is not necessarily a direct correlation between how Overview and Scrutiny is organised and the impact it has. There are already examples of where Overview and Scrutiny is helping to inform and influence policy development and decision-making, particularly through the work of task and finish groups. The reviews of the night time economy and housing maintenance contract were cited as good examples.

There is a recognition of the need to further strengthen and modernise governance more generally and to look at introducing processes that better enable the Council to deliver at pace where appropriate. Work to strengthen procurement and commissioning is in progress. A review is underway of the use of data and evidence in service design and decision-making with the objective of developing a more joined up approach. The importance of developing both practice and culture in terms of performance and risk management is appreciated. A new strategic performance management framework has

been introduced. This looks good, and helps to articulate the 'golden thread' from the strategic objectives to delivery on the ground.

The new performance reports provide a comprehensive narrative about current performance. To develop and embed it further there will need to be a focus on developing outcome measures and targets that enable senior politicians and managers to demonstrate progress and impact against the Stronger Together priorities and objectives. Currently, not all of the performance measures proposed have targets. This will be important in terms of building a culture of performance where there is a timely reporting, challenge and holding to account. There is scope to further develop and integrate a council-wide risk and opportunity management approach into this regime. The Strategic Risk Register will need reviewing in light of reducing uncertainty of central government funding (if a four year settlement is agreed) and increased risk regarding savings (as less will be predicated on the use of reserves in 2017/18 and beyond).

A strengthened approach to risk and opportunity management will be needed to support the ambitious commercialisation agenda you have set. There is a need for active consideration and embracing of a greater risk appetite in order to secure the opportunities sought. You have rightly recognised a need for proposals to be based on robust business cases, a good understanding of risk, and agile decision-making. Currently decision-making is perceived to be slow by many stakeholders and it will be important to review this perception when progressing the work to adopt a more commercial and entrepreneurial approach.

Having provided a clear steer about the Council being more commercial, it is important that this is backed up by investment in, and alignment of, appropriate skills and expertise. The creation of new commercial entities, investment vehicles and the creation of a wholly-owned subsidiary to deliver the repairs and maintenance service will be complex and will require a different mind-set and skill-set. There will need to be a recognition that not every idea or project will succeed, and a culture of learning rather than blame to inform future projects

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

The Council has set out an ambitious and exciting agenda. There are a large number of projects, initiatives and priorities which it is wanting to deliver at pace. However, there is understandably some uncertainty amongst external partners about whether the Council has sufficient capacity to deliver everything. Staff are also starting to feel stretched. There is risk that the volume, range and pace of change will over-stretch the organisation's current capacity and ability to deliver.

There may be a need for more ruthless prioritisation and robust delivery plans to ensure capacity matches ambitions and pace, and a willingness to de-commission and de-prioritise where necessary. Effective and robust programme and project management will be essential too – something the previous peer challenge identified. Similar to our observation of the place-shaping projects and schemes, the scheduling, sequencing and inter-dependencies between projects internally will need to be effectively managed

and communicated to staff. And there will need to be a realistic and appropriate alignment of resources to key projects. This may result in some activities being de-prioritised to ensure sufficient resource is deployed to the right projects and activities in the right order.

The previous peer challenge suggested the Council needed to determine what the future operating model for the organisation looks like (in terms of the optimal mix of delivery models – e.g. shared services, mutuals, outsourced services and co-operatives). While we are not repeating that message directly, there is nonetheless a need for more consideration of how the organisation and its workforce will need to develop and evolve to support and enable the delivery of Stronger Together. We appreciate you are at the start of this journey, but have recognised that the new ways of working required to improve financial resilience whilst delivering strategic priorities are dependent on the organisation's ability to acquire and embed new skills.

New management development and workforce planning programmes are being developed to ensure access to the range of skills required to deliver effective transformation and commercialisation. These are positive developments, but are still a work in progress and at a relatively early stage. In progressing this further the Council may wish to draw on the research and learning from the recent work (by LGA, SOLACE, PPMA and University of Birmingham) on defining the [21st century public servant](#).

Similarly, the Council appreciates it cannot deliver its priorities without the support, co-operation and capacity of others – and there are lots of examples of joint delivery and partnership working designed to develop solutions and deliver better outcomes. It will be increasingly important that initiatives are linked to the financial strategy - so that, as well as delivering better outcomes for individuals and families, there is an expectation that – and evidence of - interventions and support which are reducing repeated demand and reliance on public services, and therefore reducing costs to the Council.

The Council is also considering how to re-balance its relationship with citizens. It is aware it needs to be less paternalistic and consider increased devolvement of services to local communities. The recent introduction of the Community Pledges is an excellent demonstration of this. They begin to communicate how the traditional relationship between council and citizen needs to change. Their premise is that there is a new two-way deal between council and citizen. It is too early to judge its success or impact. Nonetheless, it is a clear attempt to re-balance the relationship and expectations, and to encourage 'everyone to do their bit' to reduce demand on public services, and should be commended. Increased ongoing engagement with and involvement of citizens in shaping further activity should be considered.

5. Next steps

Immediate next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Helen Murray, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Email helen.murray@local.gov.uk and Tel. 07884 312235

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

Follow up visit

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

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before November 2021.