

Corporate Peer Challenge Wakefield **Council**

7-10 June 2016

Feedback Report

1. Executive Summary

Wakefield Council is a high performing and ambitious council, which benefits from strong and stable political and managerial leadership, led from the front by the Leader and Chief Executive. Their leadership and constructive working relationship is widely recognised both internally and externally by many partners and stakeholders across the district, and across the broader Yorkshire and the Humber region.

Elected members at all levels are visible in their communities and in their council, and staff told us they feel the organisation is clearly values driven. Partnership working is a strength and partners told us they trust the council to deliver and that the council follows through on its decisions.

In common with other councils across the country, Wakefield has had to deal with significant challenges to the local economy and also to its own finances, yet has led, invested and delivered significant projects during the time of austerity. The council is widely regarded as having managed projects well, reflected in flagship initiatives in and across Wakefield district such as the building of Wakefield One, Merchant Gate and the Hepworth Gallery, of which the council is justifiably proud.

Financial management has been good and tough decisions have been taken, for example budget reductions have been made at neighbourhood level, and there is recognition that even more difficult decisions will be needed in the short, medium and long term if the council is to balance its books. Whilst it might seem to be counter-intuitive to make expenditure recommendations during a period when finances are tight, there is now a need to invest in some key building blocks for the future to support capacity and enable the organisation to deliver for the future.

The pace of change needs to improve and some of the council's working practices and processes need to be modernised. Information and communications technology (ICT) needs more thought and a new approach is being explored on digital service delivery, which needs to be followed through to help reduce costs, improve services and enable residents to get in touch with the council more easily. Some processes around the procurement of goods and services, and the recruitment of staff need to be revisited to ensure they are streamlined and creative enough to support the council's ambitions.

To achieve good growth for the long term the council will need to build on its current good practices and embed public service reform more widely. By public service reform we mean supporting more people to become independent and self-reliant, reducing dependency on public services. It involves working more closely with partners so that services meet all the needs of people, and partners bringing together their combined resources to support shared priorities. Reform also means a greater emphasis on evaluating what we do and generating good evidence, to track the impact that investments have on residents and on levels of demand for public services. This will help to reduce duplication, improve services for Wakefield residents and achieve improved value for money.

Moving forwards we think you should consider what else you want to achieve for the district in the medium to longer term. Firstly to articulate more widely Wakefield's place,

offer and the potential benefits it can realise from being a leading member of the West Yorkshire Combined Authority, and secondly, to explore what you want for the Wakefield district over the next decade. Both are needed to shape future plans and delivery, so that further success can be achieved in the places and services that are important.

2. Key recommendations

There is a range of elements we think you should consider now:

- Articulate your vision for Wakefield over the next decade
- Develop clarity about the council's expectations of the West Yorkshire Combined Authority and ensure that the wider membership of the council is engaged in the discussion
- Explore how you can encourage Wakefield's communities to be more resilient and less dependent on the council
- Maintain a vigilant approach to in-year budget pressures
- Review your balance sheet to maximise flexibility
- Once finalised, communicate the headlines of the MTFP
- Invest in key areas in order to produce longer term savings, for example, in ICT and in capacity for transformation
- Make the commercialisation agenda and budget savings targets more realistic and utilise existing skills in in the Council to drive commercialisation.
- Take urgent action on your leisure offer
- Explore what you want to achieve on digitalisation and consider radical new approaches to benefit residents and support cost reduction, and reflect this in the Digital First strategy
- Review business processes including recruitment, contract management and procurement and consider other models that may support more innovation and streamlined working.
- Be prepared to share resources and deliver services more widely with partners, in order to drive efficiencies and achieve public service transformation

3. Summary of the Peer Challenge approach

The peer team

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

- Carolyn Downs – Chief Executive, London Borough of Brent
- Councillor Barrie Grunewald (Labour) – Leader, St Helens Council
- John Harrison – Corporate Director Resources, Peterborough City Council

- Jacqui Old – Director for Adults, Children, Education and Health, North Tyneside Council
- Andrew Hughes – Head of Implementation, LGA
- Judith Hurcombe – Programme Manager, LGA (Peer Challenge Manager)

Scope and focus

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

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

In addition to these questions, you asked the peer team to provide feedback on the council's approach to economic growth.

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 focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent 4 days onsite at Wakefield, during which they:

- Spoke to more than 140 people including a range of council staff together with councillors and external partners and stakeholders
- Gathered information and views from more than 42 meetings, visited the Hepworth Gallery and the MASH at Normanton, and undertook additional research and reading
- Collectively spent more than 143 hours to determine their findings – the equivalent of one person spending nearly 5 weeks in Wakefield.

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 (7th – 10th June 2016). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

The council's priorities of Caring for our Places; Caring for our People; Ambitious for our Young People; and Modern Public Services are clearly stated across the range of its key strategies and policies. They appear to be widely understood by staff and partners, as is the collective vision of the Wakefield Together Partnership for Wakefield to be the best small city in the country. This ambition is underpinned by the District Outcome Framework and business plan, which has SMART targets and outcome measures agreed by the participating public sector bodies.

There is a good understanding of the range and scale of the challenges ahead, including an ageing population, reduced public service budgets, protecting the vulnerable and tackling deprivation, and the capacity of the council to deliver for the long term. Solid data is provided by the Wakefield Observatory and is put to good use in determining the priorities and informing the strategies and plans which will deliver them.

Priorities, once agreed, have a strong focus on service delivery. There are many examples to illustrate where delivery on the priorities is being or has been made:

- The recently opened Frickley Mews extra care housing development in South Elmsall aims to support older people from needing to access residential care
- Training over 1,000 council and partners' staff on the Signs of Safety framework across the whole of the children's Directorate workforce
- The development of the Early Help strategy which builds and expands on the council's and partners' previous work and excellent national reputation on the Troubled Families programme. The strategy includes the introduction of the Early Help Hubs in seven locations across Wakefield.

The Hubs are very well regarded and partners told us they could be much bigger and wider in scope, further embedding locality based working across the Wakefield district, and working more extensively and integrating more closely with partners, both within the district and across the sub-region. Developing more co-location would help to save money and maximise impact for residents using them, as well as minimise duplication of provision by public service providers, and help to integrate services for residents.

The council's Overview and Scrutiny work programme is clearly aligned to the priorities identified in the District Outcomes Framework, and each programme has an annual schedule of reviews linked to the framework. This is important because in this era of reduced finances and stretched capacity, every aspect of how the council functions needs to be effective, and that includes what councillors do too. A recent example of this

strategic approach is the scrutiny of the Leisure Review and the consultation around it, which is regarded as thoughtful and adding value to the original review.

What is less clear is the collective vision for Wakefield, developed by the council and its key partners for the long term. What will Wakefield offer the regional and national economy by 2025?

4.2 Leadership of Place

The Leader of the Council and the Chief Executive are universally recognised as providing strong and complementary leadership. That they work well together and complement each other's working styles is widely recognised across the district and beyond. Their proactive engagement with other councils and partners across West Yorkshire is also evident. This solid platform provides an opportunity to lead and develop the sub-region's approach to wider public service reform, with more joint and collaborative working across the public sector.

Councillors too are visible in their communities as well as within the council, and portfolio holders know their subject matter well, and there are good working relationships at senior levels across the council

Public confidence in the council has grown significantly, and can be evidenced by an increase in satisfaction as shown through the residents' survey. Some of this improved perception appears to have been influenced by the large scale and visible projects that the council has undertaken across the district. Relationships with the local media are constructive.

The work undertaken to date with partners on domestic violence has been outstanding in its impact and shows how the District Outcomes Framework can be delivered. This provides a really good example of where the council decides an issue is a priority, it delivers: consideration should be given to applying this persistence and focus to those other areas within the district outcomes framework and across the partnership to create even greater impact.

4.3 Organisational leadership and governance

We saw evidence of positive and constructive member and officer working relationships at all levels across the council. At senior levels Cabinet and the Corporate Management Team work well together and are respected for the knowledge and commitment they bring to their roles. The corporate governance framework appears to work well, there is mutual respect and understanding of roles and responsibilities, and we didn't hear of any adverse indicators relating to how the council's decision making machinery works. The overall culture of the council was described to us as being one of "high challenge, high support". Staff see the council as solid, reliable and adaptable, and is regarded as a good place to work.

The overview and scrutiny function works well and Scrutiny Chairs are clear about where it can and should add value, particularly in adding strategic oversight and value to policy development, and in bringing robust challenge and oversight to support improvement.

The impact of the Leader and Chief Executive is very evident both within and outside of Wakefield Council. However, a number of observers expressed concerns about an over-reliance on them to make things happen. Moving forwards there needs to be a widening out of responsibilities, to enable others in senior political and managerial roles to play a more proactive role in future, especially on the devolution agenda. How sub-regional governance and devolution will affect Wakefield is still an evolving agenda with many unknowns, but sharing out of that responsibility will help to ensure greater understanding of what it means and how the council can best respond.

The council is values driven and this is reflected in a broad perception that the council has always strived to look after its communities well. Looking forwards the scale and extent of the budget challenges ahead and to at least until 2020 means that the way communities have been looked after is not sustainable or affordable at current levels. Members and officers should consider how they can begin to encourage communities to be more self-reliant and less dependent on the council in the future, so that the council can begin to develop new relationships with its communities. To illustrate this a number of councils use apps to encourage and enable residents to be more self-sufficient and to enable the council to be more efficient, for example to pay fees and charges, register for voting or to search for local job opportunities.

4.4 Financial planning and viability

The council has a good track record of delivering services and projects within budget, and there is a good level of awareness that growing the economy will not only bring more prosperity to the district, but also bring more income for the council through business rates retention and more households contributing council tax.

Although Wakefield has traditionally being one of the lowest spending authorities, there is also recognition that tax raising powers are important for future viability. The agreement to apply the 2% council tax precept to support Adult Social Care was a necessary move to support future service improvement.

Whilst it is clearly a political decision, we would urge the council to seize the opportunity of a 4 year budget settlement with government, to help bring about greater certainty and to support more planning on the council's finances up to 2020.

The property partnership which seeks a commercial partner to provide property and facilities services, is underway and during the time of our visit, the council was about to award the contract, with a view to going live in October 2016.

There are commercial and trading skills within the organisation, for example the services traded with Academy schools on educational psychology, finance and audit produce a surplus for the council. Learning from this approach could be further harnessed for future viability across other council departments. Staff told us the levels of delegation could be revisited so that more decisions could be taken at lower levels, and that more managed risks should be taken so that services and income generation could grow.

Historically, the council has been successful in delivering savings by reducing its costs e.g. achieving £119m savings since 2010, whilst increasing reserves from £60m to £85m in the same period. In early June the council was forecasting a year end overspend of £10m for 2016-17. Combined with £24m of unidentified savings for 2017-18 this illustrates the need to robustly manage expenditure pressures in some key areas. Adult Social Care is the prime example of overspending, where in 2015-16 £5m of the target £20m of savings were not realised, requiring some use of reserves to balance the budget, and which represent the majority of the forecast slippage on the current year's budget. Although there is headline agreement with partners in the CCG for a new model of care, the details of the funding and understanding relative financial pressure across partners, and how the arrangements will work need to be developed. The project The Single Version of the Truth commissioned by the Wakefield Local Services Board with PWC aims to build a five year sustainability model for health and social care.

There is significant challenge in how future efficiency savings or income generating activities will be realised. Rigour needs to be applied to making budget savings, for example £2m of efficiency targets have been identified for 2016-17 but the Productivity Board has yet to meet. Working on demand management is seen as critical to managing budget pressures and the work on early help hubs and early intervention should deliver this but has yet to pay dividends. Staff also expressed concerns that producing in-year efficiency savings needs a longer lead-in time if they are to be achieved.

Discussions are underway to shape the first phase of the Medium Term Financial Plan to 2020. We think there are a number of issues that you need to address now to help achieve financial viability, some of which will require some urgent and tough decisions to be made. One of these is more active exploration of different ways of delivering services for local people, not necessarily through privatisation, but in ways which can support and foster good growth in Wakefield's communities, for example by better working with the voluntary and community sector, and through the use of mechanisms such as social enterprises. What is done and how it is done are entirely for the council to determine, some research into alternative delivery models will help future thinking and plans.

Building on the previous reviews mentioned elsewhere in this letter, the leisure offer also needs a rethink, as the current amount of provision is under-utilised, expensive to provide and uncompetitive, resulting in it being a cost to the council rather than a source of revenue for the council and good service provision for Wakefield residents. Urgent action is needed, not least in the context of the council's finances.

Consideration should also be given to being more optimistic in incorporating the growth agenda into the MTFP, so that the plan reflects anticipated future income. The council's balance sheet should be kept under review to ensure that the maximum flexibility can be achieved for future expenditure and challenges ahead.

Once the MTFP takes shape it will be important ensure that the scale of the budget challenges ahead are fully understood by staff, community and partners. It may not always be possible to provide absolute clarity at all points going forward, but ongoing dialogue will help employees and partners to feel supported and gain ownership.

4.5 Capacity to deliver

Staff are highly dedicated to the council and the work they do and loyalty to the organisation is strong. We met and heard of some real stars who are very highly regarded and respected in their roles, and who have considerable positive impact both internally and externally for the council. Overall employees told us that change is managed well, and there is a broad understanding and acceptance that there will be more change ahead.

Both staff and trade unions recognise that there are very good terms and conditions in place, to the extent that many told us that this was the best aspect of working for the council. Very high numbers of staff (88%) feel the council is a good employer.

Recent investment in how the council operates, including the move to its main building at Wakefield One, and investment in managers through the Performing for Wakefield programme have improved both the physical and cultural aspects of working for WMDC, for many staff.

Performing for Wakefield focuses on delivering outcomes; managing people; improving efficiency; and assuring good governance. It is underpinned by clear expected manager standards linked to the council's existing competency framework. Managers who have been through the programme feel they are more confident in actively managing staff, including being more direct about performance and challenging under-performance. Staff also told us they could see a positive impact on those managers who have been on the programme.

However despite the positive impact of Performing for Wakefield, employees now want to see this translating into more consistent challenge and management of poor performance where standards are not met.

There are good managers who are managing well, but we also heard concerns about inconsistency of management practice, where discretion can lead to perceptions of unfairness and inequity. Some of this relates directly to the management of poor performance but it also relates to variable application of policies, for example, who is entitled to have flexible working arrangements. This is important for the future, because as the organisation inevitably becomes leaner, workloads are likely to increase and staff need to continue to feel engaged and supported.

Corporate and service capacity is stretched and the council overall would benefit from revisiting processes and considering whether they are flexible and innovative enough to support the council's strategic ambitions, as partners feel that day to day processes do not always match the commitments made at the most senior levels of the organisation. We heard widespread concerns about the overall pace of change in a number of areas, largely relating to processes and how the day to day business is conducted. For example, staff told us recruitment to new positions often takes too long. Procurement and contract management are undertaken competently but there are concerns that processes are not fleet of foot, and the overall approach to both can cause frustration for those engaged in delivery, both internally and externally, with suggestions that there is a danger of the organisation becoming bogged down by its own processes and stymied by risk aversion at some levels.

Investment is needed to help drive efficiencies across a range of services, including Adult Social Care mentioned previously, but also in becoming more commercially adept and to encourage better use of new technology. Pace is not helped by an ICT approach which some regard to be constraining rather than enabling, although there have been some recent introductions of mobile hardware, for example in environmental health, overall there is limited use of technology to deliver services more efficiently whilst onsite, or to enable people to request services from the council.

Staff told us that ICT could be better used to reduce duplication of effort across services and departments, for example in making assessments for people requesting services often the same questions are asked of applicants. In addition, some service areas are operating on software platforms that do not “talk” to each other, creating duplication of effort. An example is the number of revenues and benefits queries coming through the website, but as there is no direct feed to the service, the information has to be re-entered by staff. Councillors also appear to have a degree of frustration surrounding ICT. Current approaches may be due to budget constraints or to a lack of awareness or enthusiasm to pilot new ways of working using new technology, but staff were very clear that the council could and should invest more in order to be more efficient and effective in delivering services. An improvement would be to make use of a wider range of apps for residents to use to access the council for service requests, for example to report potholes, fly-tipping etc.

Taking a digital by design approach which is holistic and will enable residents to contact the council in ways which will be cheaper for the council to deliver and have less reliance on face to face or telephone contact, and so in turn help to provide better value for money. The new CRM system introduced in 2015 is a good start in this direction, although it appears to have a relatively low profile. Progress needs to be made on the developing Digital First strategy to include:

- Redesigning online services to enable greater levels of self-service for residents and businesses (what is traditionally known as channel shift)
- Enabling your workforce to operate effectively whilst out of the office as well as at their usual places of work
- Using digital to support wider transformation programmes.

There are a number of councils that have made some considerable progress in this area and which could provide valuable insight, for example, LBs Harrow and Enfield, East Riding of Yorkshire, Peterborough City Council and Hampshire and North Yorkshire County Councils.

The creation of the corporate programme office is a positive move which will help to ensure that already good approaches are consolidated across the council. It is important that this new team is sufficiently resourced so that improvements, particularly about the pace of change and implementation, can be achieved.

At the strategic level the members and officers delivering Adult Social Care and Public Health are held in the highest esteem by partners, which is a positive indicator for future working. In these areas different emerging arrangements have the potential to dramatically change the health and social care landscape in Wakefield. Future working needs to be underpinned by more capacity so the council can manage as structures and

delivery begins to change, for example, in order to achieve maximum benefit for the council we suggest a good investment to support the new health arrangements would be creation of a Chief Operating Officer post, to drive through change with partners.

4.6 Economic growth

Investment appears to have been in the right areas in order to meet the council's stated priorities, including on economic growth. For example within the Caring for Our Places priority there is evidence of a solid track record to date, in attracting £207m of private sector investment during 2014/15 and delivering the most improved gross value added (GVA) in West Yorkshire between 2011-2013.

The early adoption of the Local Plan in 2012 has enabled the council to have a competitive advantage relative to others in the sub-region who have yet to do so, because it confirms where infrastructural improvements are proposed, and who funds and provides it, in turn creating more certainty for potential investors.

Developing skills and retaining a higher skilled workforce is a key element of the Good Growth Action Plan, and the council has worked with Wakefield College in the development of a University Centre for advanced skills and innovation, due to open in early 2017. An area that the council does particularly well in is supporting the creation of supporting apprenticeships for young people through the Think Family Apprenticeship Programme and Hub. Council staff who mentor some of the apprentices told us how they can see a positive impact of their involvement, and there are plans to extend the scheme to young people leaving council care.

The council's ambition for Wakefield's economy has been delivered so far through a series of short term planned and tactical steps: a significant next step needs to be to develop a longer term strategy that positions the district in the sub-region, so that the local business base can expand further and the council's finances associated with growth can also flourish. This will mean delivering on proposals for more new homes, improved transport and infrastructure.

Investment has been made in Wakefield's infrastructure through a series of large scale and successful projects in the city centre, including the civic quarter and in the new Trinity Walk retail complex. Investment has also been made to infrastructure across the district, for example Castleford Bus Station, and the securing of £33m regional transport funding for congestion reduction and supporting 2,500 new homes to be built.

A range of joint ventures are in place, including with Wakefield and District Housing for Bridge Homes, to deliver affordable housing. Bridge Homes is already delivering above its stated targets for building new homes.

The Bond Holder's Initiative is undertaken through the Wakefield Economic Partnership and involves the private sector and the council buying bonds in what is in effect an inward investment marketing agency. Partners regard it positively because it gives them an opportunity to help shape the types of inward investment being undertaken in Wakefield. The council shows that its delivery can be pragmatic and flexible, for example working with local businesses to help them relocate to better and more suitable premises. Another example is of the colocation of the council's public health and economic development

teams, which allows for public health issues to be more easily considered as part of economic growth plans. Delivery is pragmatic and flexible.

Business partners told us they have the confidence in the council to do the right thing for Wakefield and deliver on its plans, as well as in promoting the district more widely as a good place to do business.

Within the district more dialogue is needed with small and medium size (SME) businesses so that they are kept engaged and so they can take advantage of growth opportunities, as well as fulfil their potential in upskilling the local workforce. Continuing the dialogue on business rates retention and the apprenticeship levy would be welcomed by the business community across Wakefield.

5. Next steps

Immediate next steps

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

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

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA 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 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 12-24 months.