

Corporate Peer Challenge: Follow Up Visit
**Bromsgrove District Council and
Redditch Borough Council**

June 2020

Feedback Report

1. Introduction and purpose

Bromsgrove District and Redditch Borough Councils received an LGA Corporate Peer Challenge in January 2018. Feedback from the Peer Challenge concluded the two councils had delivered over £7.5m of savings since 2010/11 through joint working and are continuing to deliver around £1.5m per annum. In 2018 the team identified further scope for efficiencies and service improvements. The Peer Challenge process recommended that the councils should focus on ensuring improved corporate ownership of financial management with tighter control of budget savings and guarantee that expenditure is directed only towards agreed priority areas.

The peer team suggested more rigour should be introduced into developing and analysing business cases, and to their impact on priority setting. The Peer Challenge recommended the councils should be clearer about how they will track progress on key projects and savings and report against them. This should include identifying the consequences and mitigation if delivery does not progress as planned.

In 2018 the peer team invited the councils to re-assess what they are seeking to achieve from the shared services partnership moving forward. Whilst it had delivered savings, resilience and a greater opportunity to lever influence it had not in 2018 established a single workforce or culture.

The purpose of the follow up visit on 24th and 25th February 2020 was to help the councils take stock of progress made against the areas of improvement identified in 2018. This report provides a written summary of the key observations made by the peer team during their visit in February 2020. This report was finalised in June 2020 having been delayed whilst the councils responded to the peak of the COVID-19 pandemic.

Peer review and challenge

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 process is not designed to provide a technical assessment or due diligence on specific proposals. Neither is it intended to provide prescriptive recommendations. The peer challenge process provides feedback, observations and insights from experienced practitioners that will help validate, reality check and further develop the councils' current plans, proposals and evolving thinking about the future.

Scope and focus

The peer team were asked to consider the progress made since January 2018 and provide recommendations for continued improvement. In doing so peers considered the areas for

improvement identified by the original peer review and the key recommendations made at that time:

- Pause and reflect on the shared service journey to date – celebrate your success – use the 10 year anniversary as a moment to do this
- Prioritise the work on tightening financial processes so that they provide the most up to date profiling, model the best in the sector and support strong decision making
- Spend more time together – introduce more joint informal meetings at political level
- Create space to have conversations about the future with your valued partners
- Redefine the shared future journey and ambition
- Define a new shared culture from the bottom up – with input from officers and members
- Share this emerging culture with partners and collectively shape the future community leadership role for the councils and partners
- Establish a single workforce and reduce duplication and time spent navigating two structures and systems of governance
- Having established the above use this re-energised culture to enable officers and members to design services to meet and pre-empt customer needs within your financial envelope.

A further 22 recommendations were made within the five core themes of corporate peer challenge. These are set out in Annex A.

Peer team

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

- Matt Prosser, Chief Executive, Dorset Council
- Cllr Paul James, Former Leader, Gloucester City Council
- Cllr John Kent, Former Leader, Thurrock Council
- Bindu Arjoon, Director, Exeter City Council
- Claire Taylor, Corporate Director Customers & Organisational Development, Cherwell DC and Oxfordshire CC
- Karen Iveson, Chief Finance Officer Selby DC and Assistant Director North Yorkshire CC
- Raj Khara, LGA membership engagement officer
- Clare Hudson, LGA Peer Challenge Manager

Seven of the team had been involved in the original peer challenge in 2018. The team spent two days onsite at Bromsgrove and Redditch councils on 24th and 25th February during which they spoke to more than 40 stakeholders including councillors, senior

managers, frontline staff, and partners. Peers prepared for their visit by reviewing a range of documents and information in order to ensure they were familiar with the councils, their current challenges and recent progress.

2. Key findings and observations

2.1 Progress since the Peer Challenge

In 2019 Redditch BC changed political control and became Conservative controlled. This change in political balance and leadership means both councils are Conservative controlled and provides an opportunity to make progress on some fundamental issues facing the councils. The councils continue to benefit from a dedicated workforce and there has been significant effort in the senior officer core put into identifying what culture change might best support the workforce going forward. There is now a stronger sense of a single workforce serving two councils at the senior officer level. The councils now need to work to embed culture change from the bottom up to ensure all parts of the councils are engaged in moving towards a more dynamic and financially accountable culture.

This emerging culture change has been facilitated through the harmonisation of terms and conditions for the two councils. Several key steps have also been taken to address the recommendations made by the peer team, and the section 24 notice that was served to Redditch BC in 2019. A new finance system is in the process of being introduced which will be fundamental to delivering the financial control and accountability needed. The scheme of delegation in Redditch BC has been revised and this is having a positive impact in empowering officers to be more innovative.

Partners continue to value working with the councils, both individually, and collectively and the councils' leadership have continued determined effort to underpin this. There remains significant scope for collaboration with partners to improve outcomes for the communities in Redditch and Bromsgrove and the councils need to carefully consider how to harness this without necessarily always leading it.

2.2 Shared services – direction of travel

There were mixed views expressed to the team, particularly by members, on whether shared services has reached its maturity within these two organisations. Senior leaders need to be clear about their understanding of this maturity and whether the full benefits have been realised. Leaders should explore whether or not shared services will be actively pursued with others – and be clear with staff where future efforts will be placed. The councils should also establish regular benchmarking to understand if services are providing value for money and if further efficiencies could be realised within the current shared services framework.

Given progress made and the maturity of the shared services partnership the councils should now be considering how they can translate the benefits that operating a long running shared service has bought to drive further collaboration.

2.3 Understanding of local place and priority setting

The leaders of both councils are well respected for their energetic passion for place. Through collaborative working this can be harnessed to help shape the delivery of future growth, regeneration and economic prosperity respectively. The regeneration plans in Redditch are ambitious and have the potential to be transformative. Redditch BC must now consider how it will bring together exciting individual projects and schemes into single vision that can galvanise the resources and capability of partners.

Bromsgrove DC is seeking to deliver on its vision for an economically vibrant and sustainable district within the constraints of its green belt. The Government's Review of Local Enterprise Partnerships (LEPs) may well result in the Council no longer being able to maintain membership of two LEPs. This will mean a major strategic decision about where Bromsgrove DC wishes to align itself economically.

There is evidence of speculation about future local government arrangements for Worcestershire. Without wishing to comment on the merits or otherwise of change, the peer team would encourage the councils not to be distracted by this and to concentrate on collaboration and partnership working for the benefit of residents and businesses. The need for Worcestershire County Council to complete a strategic transport assessment could be considered to be a practical example of this.

Having focused effort on instigating culture change the councils must now focus on strengthening approaches to prioritisation and associated delivery plans. The councils are continuing to commit to too numerous priorities and need to be clearer about when something is no longer a priority and what that means for the organisations, and how this is reflected in corporate plans. Plans to deliver agreed priorities are not as embedded as they need to be resulting in lower levels of rigour on project delivery than are needed in the current financial climate.

The councils are well versed in transformation principles but these would benefit from a more clearly articulated and agreed transformation programme and governance being updated and fully aligned to refreshed – and fewer – priorities. These refined priorities and delivery plans should then be resourced accordingly. The councils should bear in mind that agreeing a priority does not mean the councils always have to be the deliverer of services. There is a history of providing services to the community that are not the traditional role of district councils. This feels more prominent in Redditch, such as the Connecting Families project. Whilst these projects may have received external funding the council should also consider the wider resources implications of committing to non-statutory service delivery.

2.4 Political and managerial leadership

The Chief Executive continues to lead from the front and remains a visible presence for partners and staff. Since the original peer challenge in 2018 there has been constructive action to change the behaviour and conduct of political debate in Bromsgrove Council meetings. This is positive and the Council should build upon these improvements to overcome the historic legacy of negative political debate in public.

Group leaders are now invited to meet together informally, and this more regular engagement is welcome amongst councillors and officers alike. There has been a management restructure which is still embedding and senior officers must work to ensure that managerial approaches are consistent and managers are well supported to deliver priorities. Having invested in clarifying the culture the councils want staff to operate in consideration should now be given to what accountability and positive challenge means for everybody in the organisation as part of the culture change programme – and how it influences decision and behaviours.

2.5 Financial planning and viability

A clearer understanding of what financial accountability means for individuals is progressing at the corporate management team level and this now needs testing with wider staff and members. A self-assessment against CIPFA's new Financial Management Code will provide a focus for further improvement.

The finance system that has been committed to will provide a catalyst for improved financial management and accountability. It is critical that this is delivered to deadline to and becomes quickly embedded in a strengthened culture of financial accountability. Given the financial challenges it is important that robust forecasting is embedded with budget managers in order to build greater confidence in financial management.

The peer team heard that there has been a solid response to the s24 notice issued to Redditch and substantial work has been done on identifying savings and clarifying the council's approach to financial sustainability. Future savings plans need rigorous testing and there is a particular need for more work to be done on the financial sustainability of Redditch's Housing Revenue Account.

The revised budget reports are more consistent between the two councils and provide detailed analysis. The overarching MTFS has the opportunity to set the wider context for the budget reports but needs to be more widely articulated across the organisations. Staff working to deliver services against planned budgets are not always clear when they are seeking to make changes what are efficiencies and what are savings and cuts to services.

The focus on continual service review and redesign for efficiencies and improved outcomes could be clearer. The councils have developed a substantive approach to commercialisation including using property investment to generate income as well as selling services and expertise. However, the councils' approach to borrowing to finance commercial property investment also needs careful consideration in light of the latest MHCLG and CIPFA code and guidance.

The concept of commercialism as 'part of the day job' seems embedded for those colleagues that have advanced it. There is however, a need for a clear risk assessment to ensure that both savings delivery plans and income generation plans are built on the foundations of tested and robust delivery plans and that services provided for other parties, such as Lifeline for Cannock, are genuinely contributing to financial sustainability.

2.6 Capacity to deliver

The councils are operating a high number of live programmes and projects. In our brief time there the peer team noted at least seven major change programmes that officers were working on. The councils have also established property investment funds but progress on this has not been as expected, with limited viable commercial opportunities coming forward. There is significant breadth in what the councils are seeking to achieve but they do not always achieve the depth of their planned project/intervention. This is having a negative impact on organisational resilience with projects not always seeming to have been closed down before a new one is started. It is also not clear how the organisation learns from the projects it has delivered and how this can influence project design and service delivery as well as organisational culture.

The councils have set out a comprehensive approach to programme management and should ensure this is oriented towards generating pace and momentum in delivery of savings including identifying opportunities for improving productivity and reducing costs as well as delivering savings and service redesign.

The councils have embraced the need for change and have developed processes for setting up new programmes and projects. As this matures and the councils clarify their future operating models there will need to be a focus on how to allocate resources towards redesigned services ensuring that costs are regularly benchmarked and efficiencies sought out. The workforce is generally very long-serving and opportunities should be sought out for officers at every level to 'get out' and find out about practice elsewhere in order to bring in new ideas and promote an open and innovative culture.

3. Recommendations 2020

The councils have made solid progress since 2018, particularly in solidifying the concept of a single workforce and responding appropriately to the section 24 notice in Redditch. The peer team recommend the councils now focus on:

1. Prioritise clearly and resource accordingly
2. Invest in leadership development to reinforce culture change and lay foundations for the future
3. Consider how and when you can be the convenor/enabler of services and change within your communities. The Councils through the Bromsgrove Partnership and Redditch Partnership (at the time of the visit) were exploring possible “Deal” approaches (based on the concepts / principles of the Wigan Deal). During the pandemic response two support networks have been established (Support Redditch and Support Bromsgrove) – the Councils could seek to work with these networks and the partnerships to underpin future economic and community recovery.
4. Be consistent in internal communications and explore opportunities for two-way internal communications
5. Develop a clear action plan to implement your digital and customer strategy, recognising that a focus on digital and customer experience requires both technology and process change. Make this a clear element of your plans to improve effectiveness and efficiency.
6. Undertake a self-assessment against CIPFA’s new Financial Management Code
7. Ensure that budget manager engagement and ownership is invested in to make self-service a success
8. Strengthen financial forecasting to underpin the refreshed approach to financial management
9. Encourage all levels of the organisation to clearly and succinctly articulate their role in delivering financial sustainability
10. Utilise external commercial expertise to ensure delivery of agreed priorities

4. Next steps

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

As part of the peer review/challenge process, there is an offer of further activity to support this. The Local Government Association (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 is the main contact between your authority and the LGA. Her contact details are: Tel. 07884 312235 and Email helen.murray@local.gov.uk.

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

Clare Hudson

On behalf of the peer team:

- Matt Prosser, Chief Executive, Dorset Council
- Cllr Paul James, Former Leader, Gloucester City Council
- Cllr John Kent, Former Leader, Thurrock Council
- Bindu Arjoon, Director, Exeter City Council
- Claire Taylor, Corporate Director Customers & Organisational Development, Cherwell DC and Oxfordshire CC
- Karen Iveson, Chief Finance Officer Selby DC and Assistant Director North Yorkshire CC
- Raj Kherra, LGA membership engagement officer
- Clare Hudson, LGA Peer Challenge Manager

Annex A

Further Recommendations from original Peer Challenge report - 2018

1. Be clear about how you identify when something is no longer a corporate priority – and what it means
2. When change is introduced guarantee that it is introduced with greater pace and rigour – with clear lines of accountability at the officer and political level
3. Invest more time in considering what role all levels of the organisation contribute towards corporate aims – transformation is everyone's role. Ensure that transformation is adequately resourced with clear programme and project governance, and appropriate skills.
4. Management approaches need more consistency to support the development of a single corporate culture
5. Establish greater consistency in the foundations of shared services – ICT, HR, Finance should all be enablers of change
6. Re-examine your existing commitments and have an honest conversation about whether they are sustainable, relevant or appropriate
7. Evaluate the opportunities for maximising your influence – and focus your energy and leadership on where you can be most effective
8. Take action at Bromsgrove District Council to raise the conduct of political debate so that it is constructive and does not undermine the council's reputation, as well as the local government sector
9. Review processes for supporting members at council meetings, and where necessary, implement change to ensure members are well supported
10. Ensure that boundaries between officers and members are publicly clarified and that their implementation is regularly reviewed
11. Review Council Procedures to ensure that they can support constructive debate
12. Ensure that report proofing procedures are 'watertight' and errors are not published
13. Establish clearer lines of accountability for the leadership and delivery of major programmes and projects – that is appropriately dispersed throughout the organisation to mitigate potential risk in investing too much in one role.

14. Financial accountability needs greater ownership across the organisation
15. Budget planning needs to be more focused on future financial sustainability and not simply meeting service needs and short term demands
16. Be clearer about how you track progress and manage risk – on delivering savings and key projects
17. Establish a transparent, regularised and proportionate system of reviewing and amending recharges between the two councils – rather than leaving it to specific service areas
18. Expedite the business case and implementation of a new finance system
19. Consider how to meet customer need and expectation within your financial options using the systems thinking approach. This will help you identify what matters to the customer and design efficient processes to meet this need, removing service boundaries where required.
20. Consider how to re-align your customer strategy to most effectively meet customer need within your identified priorities.
21. Consider the impact that digital transformation of services can have, releasing capacity whilst improving the customer experience – develop and implement a single digital strategy.
22. Develop a clear plan to assess what high volume low complexity transactions can be directed towards more cost effective channels. There is no tension between this and a systems thinking approach - many customers expect and are happy to access council services by means other than face- to-face- as indeed they do for services from other public and private organisations.