

# LGA Corporate Peer Challenge

Ashfield District Council

Tuesday 4 to Friday 7 June 2024

Feedback report



**Corporate Peer Challenge**



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## 1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool delivered by the sector for the sector. It involves a team of senior local government elected members (otherwise referred to as ‘members’ throughout the rest of this report) and officers undertaking a comprehensive review of key finance, performance and governance information then spending three and a half days at Ashfield District Council (ADC) to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: responsible for their own performance, accountable locally not nationally, and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a ‘practitioner perspective’ and ‘critical friend’ challenge.

This report outlines the key findings of the peer team and the recommendations that the council is required to action.

## 2. Executive summary

Through its corporate plan, ADC is ambitious, and indeed pioneering in some areas. The council is successful, delivering and planning exciting holistic regeneration projects to improve its residents’ lives as well as visitors’ and businesses’ experiences. ADC is also delivering good, solid services generally to local people. This is impressive for a district council of its size.

Sport England recognises the council as exemplary in delivering recent new leisure facilities. These are already meeting the needs of its local communities, after effective consultation with them, to improve their physical and mental health, and wellbeing. Membership and attendance of these facilities are growing notably each year. This is in contrast to other leisure centres across the country that are closing.

All ADC's members and officers are highly committed to and delivering for its communities. The ruling Ashfield Independents administration continually consults with, listens and responds to its households. This is supplemented by a range of consultation and engagement undertaken by council officers, who make necessary changes to enhance the delivery of ADC's services and programmes. Through its strong political and managerial leadership, the council is community focused and outward looking.

All local partners the peer team spoke to highly respect ADC as a place leader. This is especially through Discover Ashfield – the local place board. The council convenes the board, which is a real and just as highly respected catalyst for regeneration. The council engages well with its partners. Together they have honest, robust and constructive conversations to progress and align each other's work programmes. The peer team was impressed with ADC's curiosity for the context and work of its partners, and how it seeks to explore with them the widest options and benefits.

ADC's work is well supported by its strong financial position, especially through its healthy level of reserves. The council has sound financial planning processes and manages its finances well. Its base budget review process is good practice, and its commercial portfolio is generating valuable income for ADC. The council should nevertheless closely monitor the portfolio, its returns and associated reserves to withstand any market changes. ADC should also develop robust, auditable programme and project management arrangements for the portfolio and the council's regeneration programmes, given their size and the volatility of the development sector. This is particularly so ADC can foresee further income opportunities and risks.

ADC should also strengthen its wider 'check and challenge' governance arrangements. Internal governance of the council's regeneration projects is far less formal than their external governance arrangements. It is also not clear whether ADC's select (scrutiny) committees hold members or officers to account. Strengthened 'check and challenge' in these areas will enhance the council's oversight, ownership of and accountability for them.

The council has plans for £0.6 million of savings to achieve a balanced budget in 2024/25. ADC's medium-term position is more challenging, with a growing deficit of £6-7 million forecast by the end of 2026/27. The council must therefore have and

deliver robust plans at the earliest stage to address these savings requirements.

The peer team clearly heard during its visit that ADC has not resolved various member/officer issues identified in the 2020 CPC report. The LGA has been working closely with the council since 2020 on these issues, and there has been some progress. Significant issues remain however, particularly due to the blurring of member/officer roles and responsibilities. These issues risk undermining ADC's work and are soaking up valuable resources. So ADC needs additional, genuine effort and commitment from its members and officers to resolve these issues once and for all.

ADC is partly addressing its member/officer issues through its good, initial implementation of the decision-making accountability (DMA) [model](#). The council has rolled out the model down to Assistant Director (head of service) level, and Executive and Assistant Directors generally understand the model. As a result, staff are starting to feel, and be seen as, empowered and trusted to take decisions and change work practices. ADC needs to continue rolling out the model, and fill vacancies, to empower all staff for maximum benefit.

The council should build on its existing partnership work with the East Midlands Mayoral County Combined Authority (EMMCCA) by working with the latter's newly elected Mayor. There is real opportunity for ADC to position itself positively and proactively within this space, so EMMCCA benefits from ADC's strategic, corporate plans and work where the two local authorities have shared agenda to benefit from. ADC should therefore work with EMMCCA's Mayor and Interim Chief Executive.

### 3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

- 3.1 Recommendation 1 - commit and invest to address the long-standing issues around member/officer relationships once and for all, and work to secure clarity around their respective roles, and model behaviours necessary to embed and normalise best practice** – these issues are soaking up your resources and could undermine the work of the council. Your political and managerial leadership and staff need to find further genuine resolve and commitment to address these issues collegiately and supportively

for the benefit of the council and its local communities.

- 3.2 Recommendation 2 - establish a proactive role with EMMCCA to demonstrate how you can deliver for EMMCCA locally across agenda such as inclusive growth, skills, destination management, deprivation, health inequalities, transport and housing** – you already have a strong, healthy relationship with EMMCCA. With its Mayor now elected, you should work with her directly to align and progress your shared priorities. You have much to offer EMMCCA with your impressive track record. So work with EMMCCA's Mayor and Interim Chief Executive so both your organisations and communities get maximum benefit from each other's agenda.
- 3.3 Recommendation 3 – enhance internal governance arrangements for your major regeneration schemes, including progressing your formal programme and project management arrangements, to provide more robust assurance around the delivery of this ambitious programme and associated risks** – these schemes' formal external governance arrangements work well. Your equivalent internal arrangements are not as formal, which could leave you open to not fully understanding and responding to opportunities and risks. The development sector is currently volatile and highly responsive to market changes. The key to riding out these pressures will be your ability to be agile and responsive. So progress your internal, formal governance, programme and project management arrangements for these schemes, for example via a programme management office, to mitigate any risks and to make the most of opportunities.
- 3.4 Recommendation 4 - ensure potential synergies between your approach to commercial investment, asset management, regeneration including climate change and planning are maximised and exploited for resident benefit** – you already have related activities underway and planned. It is not clear though how these align across the council and Discover Ashfield, nor if they are contributing to a defined strategy/set of outcomes. Opportunities could be missed as a result. You should therefore review and align all these approach's activities so they best contribute to your overall strategy.

- 3.5 Recommendation 5 - strengthen your audit committee's capacity to provide constructive and rigorous challenge through the co-option of individuals with specific finance and commercial property skills, in line with best practice** – you are leading on some high risk, complex areas. This places a heavy responsibility on your audit committee. So source co-optees with specific regeneration and commercial skills to support this committee. This will help it best monitor these projects for the necessary checks and balances to keep them on track and compliant.
- 3.6 Recommendation 6 - invest time to drive out the benefits of the DMA model, and use this to embed a culture of empowerment, accountability, and compliance** – you have successfully rolled out DMA to Assistant Director level, and are starting to see the benefits. Continue to roll out the model to service managers and beyond, and fill your vacancies. This will ensure all your staff are appropriately empowered to take and own their decisions, enhance work practices, and make all your functions as efficient and effective as possible.
- 3.7 Recommendation 7 - review your human resources (HR) arrangements to ensure access to timely, quality advice and support required, to match the pace and scale of your ambitions** – various problems you are experiencing with your HR partnership mean that it is not supporting you as well as it could. It is also holding back the potential of your staff. Therefore review the partnership, better clarify your HR needs, and reconsider the purpose and role of any future HR function. This will help you make progress on what you need to get the best from your staff and support them.
- 3.8 Recommendation 8 - embed consistent performance management practice across the council and replicate your approach to publishing your housing performance to improve the public accessibility of performance information** – you have a good and developing performance management framework, ensuring constant progress towards your corporate plan goals. Consistent performance management however is not yet fully embedded nor owned across the council. As a result you do not have full oversight of your performance to best gauge and improve progress. There would therefore be value in you addressing this oversight gap.

You have a mixed approach to public access to your performance data. Housing performance is easy to find but other performance is less so. This means residents do not best know how you are performing to be able to engage more with you. So use your housing performance approach to collate and present data on your other functions to address this.

## 4. Summary of the peer challenge approach

### 4.1 The peer team

Peer challenges are delivered by experienced member and officer peers. The make-up of the peer team reflected the focus of the CPC, and peers were selected by the LGA on the basis of their relevant expertise. The peer team comprised:

- Member Peer – Cllr Adam Paynter, Independent Deputy Group Leader, Cornwall Council
- Chief Executive Peer – Martin Hamilton, former Chief Executive of Newcastle under Lyme Borough Council
- Serving Officer Peer – Tracey Birkinshaw, Director: Community and Economic Development - Cheltenham Borough Council
- Serving Officer Peer – Peta Newlin, Senior Workforce Adviser, LGA
- LGA Peer Challenge Manager - Vicki Goddard
- LGA Project Support Officers – Suraiya Khatun and Kaylash Patel.

### 4.2 Scope and focus

The peer team considered the five themes that form the core components of all CPCs. These areas are critical to councils' performance and improvement. The peer team considered the additional area of holistic regeneration for ADC, closely linked to its local priorities and outcomes, hence it being listing second:

1. **Local priorities and outcomes:** Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all its communities?
2. **Holistic Regeneration:** Is the council acting as an anchor institution in the district? This would include the council not just focusing on the direct delivery of



services and projects, but looking at how its role as a major employer, landlord, funder and purchaser of goods/services can provide wider benefits and social value related to corporate priorities such as health, housing, leisure, community safety, economic prosperity and environmental sustainability.

3. **Organisational and place leadership:** Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
4. **Governance and culture: How much progress has been made against ADC's previous CPC key recommendations?** Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny? Is the Council's 'Golden Rope' approach suitably embedded, including effective integration and use of the Oflog metrics within its performance management framework?
5. **Financial planning and management:** Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
6. **Capacity for improvement: How is the council developing [DMA](#) throughout the council to achieve its purposes most effectively? Are for example all teams within the council contributing to its corporate approach as well as contributing to and supporting each other's team agenda by working together?** Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every CPC includes a strong focus on financial sustainability, performance, governance, and assurance.

### 4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. 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 peer team reviewed a range of documents and information to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at ADC and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent three and a half days onsite at ADC, during which they:

- gathered evidence, information, and views from more than 40 meetings, in addition to further research and reading
- spoke to more than 90 people including a range of council staff, members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

## 5. Feedback

### 5.1 Local priorities and outcomes

The council has a good, ambitious corporate plan with clear outcomes, which sets out an exciting path for Ashfield. ADC has already delivered some of these ambitions and is planning further work to improve residents' lives, as well as visitors' and businesses' experiences. The plan's iconic cover photo of a young person looking through a telescope reflects its strapline "We're raising our sights, looking to the stars". Together they represent some of ADC's holistic regeneration projects. The council is also delivering good, solid services generally to local people. All this is impressive for a district council of its size with a workforce of about 600 staff serving approximately 127,000 residents. Key examples of ADC's successes and plans are:

- it being awarded £62.6 million from the UK Government's Town Fund, the highest award for any local authority area, plus a range of other external funding
- its work to build a new Planetarium and Science Discovery Centre at Sherwood

Observatory - the biggest publicly accessible telescope outside Greenwich

- its work to build the district's Automated Distribution and Manufacturing Centre (ADMC) as a Midlands and national centre of excellence.

ADC's members are passionate, hard-working and want the best for their residents. For example, the peer team repeatedly heard throughout its visit how the Ashfield Independents group, the council's strong ruling administration, visits households monthly. This is part of the group's on-going work with residents to listen and respond to their needs and views, which develops residents' buy-in to ADC's agenda. The group collates these views to shape the council's policies and decision-making.

The council also undertakes a range of consultation and engagement with its communities to inform and shape its priorities and projects. This includes activities to inform and enhance ADC's: regeneration and Towns Fund projects, corporate plan, community safety approach, Kirkby's leisure centre and tenants' experiences. ADC reinstated its residents survey including face to face consultation in 2023 after the last one in 2016. The council is also re-introducing its citizens panel, which stagnated due to the COVID-19 pandemic. These activities similarly ensure residents' buy-in.

It was not possible for the peer team to talk to local residents. Last year's residents survey findings however identified, amongst positive results, some low satisfaction levels, whereby below 35 per cent of respondents were very/fairly satisfied. These include satisfaction with the council's: community safety services, outdoor sports facilities, and keeping town centre and neighbourhood public areas clear of litter, weeds and refuse. Despite these notable findings, the council's latest corporate scorecards for 2023/24 and 2024/25 do not show how ADC is addressing them. The council should therefore plan how to monitor and address these issues to improve residents' experiences of them and their buy-in.

Discover Ashfield – the local place board on which three ADC members and the Chief Executive sit - is a real catalyst for regeneration, and has become highly regarded locally due to its work. This is benefitting the council and district immensely. Discover Ashfield is also benefitting from ADC's officer skills in successfully bidding for external funding and delivering those projects, and members' related decisions. The council and Discover Ashfield therefore have a highly collaborative, successful relationship in promoting and improving the district.

ADC's strategic leadership team approved the council's corporate equalities policy and initial projects in April 2024. The monitoring group for this work was due to progress this agenda the week after this CPC. It is therefore too early to comment on ADC's delivery against its equalities plans but developments look encouraging to progress external and internal issues. The council is however looking more at internal equalities workforce issues, which are outlined further in section 5.6.

The peer team heard throughout its visit that the council has a range of district demographic data and draws in data from a range of partners. It heard and saw far less though about how this data is being used to drive ADC's agenda. The council's CPC position statement for example highlighted that the UK was the place of birth of 94.3 per cent of its residents but did not break down nor analyse further details about its non-UK born residents. ADC should therefore collate, analyse and use such enhanced intelligence, for example on disability, ethnicity, sexuality and digital skills, to identify and respond to its communities' needs. This includes engaging with such demographic groups to secure their buy-in.

The council is at an early stage in developing its climate change agenda through its corporate plan. Current climate change work is mainly undertaken by some service teams, and does not appear to feature in the council's 'golden rope' approach to corporate performance management and strategic direction. This is particularly an issue and opportunity for ADC's holistic regeneration programme, whereby many projects for example involve carbon reducing fuels and energies. Climate change is in any case a wider, indeed global and urgent issue, in which every institution and person has a role to play. ADC should therefore progress its climate agenda corporately and urgently, as well as within its services, so it owns, aligns, progresses and maximises all related projects to best effect, including its holistic regeneration programme, as part of its 'golden rope'.

The LGA's [sustainability hub](#) includes a range of resources to help the council strengthen its capability, measure, monitor and reduce emissions, and to network, share and learn from others. The LGA's [Councillor Workbook on the local pathway to net zero](#) is another source of help for all members to develop key skills, which will help them progress this agenda.

## 5.2 Holistic regeneration

As outlined in section 5.1, ADC successfully delivers and is progressing further projects in this field. The council has carefully developed these projects to make tangible differences to residents, visitors and businesses, from vibrant, needed local markets to solar-panelled facilities that reduce carbon emissions and costs.

ADC firmly bases its work programmes on, and understands and addresses the needs of its local communities through extensive, regular consultation and engagement, as mentioned in section 5.1.

Council officers' robust and persuasive external funding bid writing skills have clearly contributed to ADC being awarded impressive amounts of UK Government funding. This includes: £62.6 million for the Kirkby and Sutton Town Deal in June 2021 - the highest award for any local authority area, £1.5 million from the Towns Fund Accelerator Fund, additional monies from the Future High Streets Fund alongside the UK Shared Prosperity Fund, and the recent award of an additional £9.2 million Levelling Up Funding to deliver 15 regeneration projects in Hucknall. This totals over £70 million for Ashfield. Co-funding arrangements and the council's own financial contribution is bringing Ashfield over £100 million of transformational investment over the next five years to deliver the council's corporate plan.

Discover Ashfield has also been pivotal in securing government funding, responding to government funding requirements around clear governance, and by positively promoting the district's profile. Discover Ashfield creates pride and aspirations in its communities, improves the town centres' vibrancy, encourages and promotes inward investment, and supports the district's tourism and visitor economy. All this work supports the council as well as Discover Ashfield to deliver their respective yet closely aligned plans. Discover Ashfield therefore continues to galvanise positive, proactive partnership working, acting as a strong and thoughtful place leader, through its diverse, supportive and collaborative board.

ADC has rightly celebrated and promoted its winning of significant government funding to its local communities. Local people will however tire of this message alone, especially if they do not hear nor read how the council is using the funding to deliver tangible benefits and outcomes. Partners therefore suggest ADC refreshes its narrative with Discover Ashfield to promote what they have delivered with this

funding, their next steps and milestones for delivery, to keep communities informed, engaged and on board.

The council has a range of activities underway and planned across regeneration, asset management and its investment portfolio. It was not however clear to the peer team how all these activities align across the council and with Discover Ashfield. It was also not clear if the activities are together contributing towards a defined strategy/set of outcomes. If ADC does not best co-ordinate these activities, it could miss opportunities, such as maximising joint resources and working, reducing duplication and silo working. The council should therefore review and align all its regeneration, asset management and investment portfolio activities so they most effectively contribute to a clear strategy/set of outcomes.

ADC reports on its regeneration projects in a formal, structured way to Discover Ashfield. This enables the latter to understand, advise on and support this work as required to achieve the best outcomes for the district, and is working well. In contrast, whilst the peer team were advised that there is a formal, internal regeneration programme with project management in place, the peer team felt that the council's internal governance across regeneration projects seemed relatively informal, with only very high-level reporting to cabinet. The peer team was therefore concerned that the existing arrangements may not provide the necessary level of assurance on, and co-ordination of, the delivery of this programme and its associated risks. This would increase the possibility that ADC may not fully understand and respond to the ongoing opportunities and risks of these key projects.

The development sector is currently volatile and highly responsive to market changes. The key to riding out these pressures will be the council's ability to be agile and responsive. The peer team was advised that the Executive Director Place is in the process of re-introducing ADC's Regeneration Programme Board, which ceased to meet in recent years. The council should therefore use this rejuvenated Board to enhance its internal governance, including progressing its formal programme and project management arrangements, for example through a programme management office, to mitigate these risks and make the most of any new opportunities.

The peer team heard very positive feedback about council staff working on housing and regeneration projects but capacity/resilience is a concern. This is because such

significant knowledge is held by a finite number of officers and is not necessarily captured in structured and auditable ways. If any of these officers could not work, or left, for any reason, there would be a notable knowledge gap and implications for these work areas. So ADC must succession plan and build in resilience for these and any other critical work areas to ensure work continues in such circumstances.

### **5.3 Organisational and place leadership**

The council's corporate plan narrative around its ambition is consistent and clear. ADC members and officers across all levels of the council, plus its partners through the positive work mentioned above, therefore understand these ambitions, know what they are working towards and are delivering accordingly.

Throughout its visit, the peer team witnessed the council's strong, political leadership, which is positively steering its ambitious agenda. This is particularly through the Leader, the Deputy Leaders and the Executive Lead Member for Growth, Regeneration and Local Planning. It is important to note that the wider, ruling Ashfield Independent group contributes positively as well. The peer team also heard that the Ashfield Independents regularly meet, although cabinet do not meet informally as a group without officers.

The council's Chief Executive and her positive, supportive leadership style, is also widely acknowledged, from cabinet and frontline staff to key stakeholders and partners, as being the strong managerial leader ADC and the wider place needs.

ADC's corporate plan starts with its ambition to be 'Great' across all its services. With its strong political and managerial leadership, partnerships and resources across all its services, the peer team sees no known reason why the council cannot achieve this. ADC should therefore endeavour to achieve this ambition as part of its corporate plan, given its existing momentum on this.

The council 'future-proofed' its corporate plan by aligning it with EMMCCA's priorities of the time. There are now additional opportunities, through ADC's existing strong relationship with EMMCCA, to work with the latter's newly elected Mayor. Many of the Mayor's strategic priorities align with the council's. These include: destination management, transport, housing, deprivation, health inequalities, wellbeing and accessibility. Working with the Mayor, for example to map out, align and progress

shared priorities, would enable EMMCCA and its communities to fully benefit from ADC's strategic plans and vice versa. Such new joint working could also identify and reduce any duplication of work, and make the most of joint resources and agenda. ADC should therefore work with EMMCCA's new Mayor in these initial regards.

In further working with EMMCCA, and other local partners, ADC may wish to strengthen its narrative around what the whole council has delivered via a stronger place and community driven perspective. The peer team heard several times how key project delivery successes have been presented externally as being politically based rather than being down to the council as a whole's strong influence – both managerially and politically. This is an understandable stance to take, given the strength of ADC's political leadership. The peer team is mindful however that such a perceived stance, could raise unnecessary questions and possibly hinder trust and joint working. The council may wish therefore to consider how best to balance the political/corporate/partnership leadership within its messaging and positioning.

Strengthened private sector business representation on the Discover Ashfield board would add real benefit alongside public and voluntary sector bodies, health and education. This is particularly in light of the board's work on holistic regeneration, including that of the council. Partners recognise the challenges of recruiting experienced, knowledgeable business representatives. This is nevertheless something that the council and Discover Ashfield should continue to pursue, to deliver holistic regeneration projects to the best of their ability, given their existing, successful track record in this area.

#### **5.4 Governance and culture**

ADC staff are evidently positive about, and like working at, the council. They are committed to delivering their best for Ashfield and its local communities. This shows via their successful day to day work and delivery of major projects, which impact positively on local residents, visitors and businesses. The peer team also noted supportive warmth between council service teams, particularly amongst Assistant Directors, and within the Working Together Group – a group of staff from across the council who voluntarily work together to address shared issues. This supportive, positive staff culture not only helps them best work together but helps develop and retain them.



The council's strong political leadership model is widely recognised and understood by partner organisations, all levels of council staff and its members. It is not common for a strong Independent majority to lead a council. It is less common still for such a majority to comprise the same political group of Independents, in ADC's case, Ashfield Independents. Additionally, the peer team did not hear of any differing factions within the group. This further highlights the group's strength and unity, which along with the group's ongoing engagement with local residents, provides the council with clear strategic direction and decision-making.

As part of this CPC's scope, the council asked the peer team to explore how much progress had been made against ADC's previous CPC key recommendations from 2020. These included the council ensuring further member training on behaviours, roles and responsibilities to ensure members understand and keep to their roles, and ensure their approach is appropriate.

The peer team was encouraged to hear how since the council's 2020 CPC, ADC has made some progress on the member/officer relationship issues raised in that report. This includes the council revising its member protocol and introducing its Dropbox case management system.

Beyond the council itself, ADC members and officers are working in a difficult, complex political environment. There has been strong, external, political commentary and critique of the council's work, particularly on social media. These comments have been taken by the council to be intentionally harsh and controversial. An example of this was a commentary of ADC's finances that resulted in the Chief Executive and Section 151 Officer taking the unusual step of publishing a statement to provide clarification. The council should not however underestimate the impact of such commentary on its morale and delivery, and should look to resolve these issues.

The peer team also heard throughout its visit that various issues around member/officer relationships identified in the 2020 CPC remain a significant challenge for ADC.

Continuing lack of clarity, understanding and agreement throughout the council of members' and officers' respective roles, responsibilities, and the relationship between them remain a challenge.

Members should and do challenge officers when it is appropriate to do so. This works

well at strategic policy-making and delivery levels to ensure the most appropriate policy options are recommended and approved, then implemented as intended.

The peer team however heard during its visit that:

- some members tend to focus on detailed operational information that is far more relevant for officers. This is not an issue in itself, as members have the right to explore such information. Some members tend to use this detail to challenge officers and influence outcomes for individual residents. At the same time, not all relevant officers robustly manage such challenge. Members and officers therefore need to agree relevant boundaries
- the council has implemented a Dropbox case management system for members, through which individual casework is co-ordinated and managed centrally. Some members bypass the system to approach officers directly. The more this happens, the less effective it becomes as a tool for triage and tracking. Dropbox could be successful for co-ordinating members' routine, day-to-day casework if the council reflects and agrees on its expectation around Dropbox's use
- some members' behaviour towards officers has been inconsistent with usual and agreed member/officer protocols
- the external perception of the member/officer culture in ADC can put off potential external candidates. This could have negative implications for the council's plans to develop itself as an employer of choice and related projects as outlined in section 5.6.

From its onsite discussions with others, it was clear to the peer team that not all members recognise these issues. This represents a challenge for the council.

Such issues are soaking up valuable, limited resources that could otherwise be spent delivering even more success. These issues also risk undermining the work of the whole council. ADC's political and managerial leadership and staff therefore need to find further genuine resolve, effort and commitment to address these issues collegiately and supportively, once and for all. This could be for example via further training, development and facilitated working together. The LGA is already working with them on this and can continue to do so. Successful work on this will enable ADC's members and officers to work constructively and productively together on a

continual positive basis for the benefit of the council and its local communities.

Member development is core to the council's approach to addressing the issues above including owning and progressing its key priorities. Effective development programmes can be difficult to design, given the need to address a range of topics, experience, learning styles and preferences around timing and use of technology. ADC will need to embrace these challenges to plan, deliver and champion its member development programme, so members have maximum opportunity to engage with and benefit from it.

In terms of key, wider governance issues, the council has a good approach to managing corporate risk. Its corporate risk register for example outlines: a red/amber/green rating, potential consequences, mitigating actions, comments, a leading officer, and latest next review dates per risk. ADC's corporate leadership team, cabinet and audit committee maintain and review the council's risk registers to ensure appropriate and timely action is taken to deal with identified risks.

The council leads on some high risk and complex areas for a district council. These include its large strategic regeneration programme and significant commercial portfolio. This places a heavy responsibility on ADC's audit committee, which could therefore be supported and strengthened by co-optees with the specific regeneration and commercial skills required. This will help the audit committee best monitor these projects to keep them on track and compliant.

Given the audit committee's responsibility for such projects alone, ADC may additionally find the LGA's [10 key questions](#) for audit committees useful to reflect on and review the committee's role, set up and work.

There is also a lack of clarity as to whether ADC's select (scrutiny) committees primarily hold members or officers to account. Strengthened 'check and challenge' of this and the other governance areas mentioned above would enhance the council's oversight, ownership of and accountability for them.

As part of wider arrangements however, the council received an unqualified external audit completion report for 2022/23. This includes no identified risks of, or actual significant weaknesses, with three recommendations in relation to financial and risk management reporting to the audit committee, which:

- should seek direct assurance that recommendations have been actioned prior to the approval of the draft 2023/24 financial statements. Where actions cannot be implemented, members need to understand what the impact may be
- must receive regular reports on corporate/strategic risks facing the council, in sufficient detail to enable it to fulfil its responsibilities under its constitution
- should consider if it would benefit from having a forward plan, fully mapped to its terms of reference, provided by officers and reviewed at least bi-annually.

#### **5.4.1 Performance**

ADC, through its new policy and performance function, has a generally good performance management framework/’golden rope’, incorporating and aligning its:

- strategic direction
- corporate plan, its delivery plan and performance scorecards, which the corporate leadership team sets and reviews progress of, with regular progress updates to executive leads
- service plans including key performance targets – all services complete these annually via a set approach and template, enabling full consideration of improvements and learning to focus on the year ahead. The Chief Executive and the Assistant Director Policy and Performance regularly monitor service plans at performance boards. Each Assistant Director presents their successes and areas for improvement at corporate and operational delivery level twice a year to these boards. ADC reviewed its performance board approach this year following the initial rollout of DMA, and the peer team found these boards a particular strength
- individual personal development reviews (PDRs – appraisals) – these, for each employee, are linked to a competency framework.

Corporate and service level performance updates from the council’s performance management system are linked to ADC’s powerbi ‘Knowledge hub’, which all managers can access. This is being developed further to better identify areas for improvement from regular data provision and insight.

The council also focuses on service improvement through its service review programme led by its service review board. These reviews realign and amend

capacity to support changing needs, ensure they are fit to deliver the corporate plan and to make savings. The new internal change and improvement team will lead delivery of an enhanced, extensive, service review programme, which is planned to review all services over a three to four year period.

Consistent performance management is not yet fully embedded and owned across the council. DMA does however seem to be assisting the consistency of performance management throughout the council. This is because managers, with their teams, are starting to feel and become increasingly empowered to take ownership of their work and performance, and make more related decisions to improve their work.

The council can also use its data better. ADC evidently collects significant data across its service and corporate functions including information on its demographics, public opinion as well as performance. It also collates data from a range of partners, for example via its community safety partnership. The peer team saw less evidence however in terms of what the council does with it, including analysing, intersecting and using data to inform its ongoing service and strategic planning. ADC's new and strengthened performance and policy function has a timely opportunity to organise and convert such data into intelligence to assist such planning.

The council could take this data work even further forward with its partners, especially Nottinghamshire County Council and the police, given how much additional information they will have at the next geographic level to combine and use with ADC's, together with gaining access to the wider pool of data analysts. The peer team heard how the council collects a lot of data and requests it from partners but heard little about how partners collect and request data from ADC. In turn, the peer team did not hear how the council or county-level local authorities use such data to inform and deliver outcomes. So there would be value in ADC using its corporate priorities to focus on relevant data needed to influence change in these areas.

There is additionally a mixed approach to making the ADC's performance data publicly available. [Housing performance](#) for example is accessible and easy to find but other performance is less so. The council should use its approach to collating and presenting its housing performance data to collate and present data on its other functions. This will enable its residents to better understand each of its service areas, how they are performing, and engage more with what the council is doing.

Examples of ADC's good performance and outcomes includes those around its leisure centres and regeneration activities including town centre renewal – as detailed throughout this report, and its play areas – which the peer team recognised throughout its visit. Further examples, relevant to this CPC from [LG Inform](#), are that:

- ADC's reserves, as a percentage of net revenue expenditure 22/23 are 213.2 per cent, contributing to this report's comments about ADC's good levels of reserves
- the council's estimate budget net expenditure on recreation and sport is £333,000. This is low compared to some other councils but ADC is already getting very good returns for its investment. This is due to its extensive consultation, amending the build of its latest facilities accordingly, and seeing memberships and attendance rise annually as a result.
- an estimated 4,965 per 100,000 19 to 64 years olds have an FE+ qualification. This is the highest rate of East Midlands districts. ADC may not have had a direct input into this but it wants to further it. This includes through its ADMC and planetarium projects, whereby it has worked with local colleges to recruit students and apprenticeships to develop and use their skills, from construction to marketing, to develop and promote these sites
- rates of residents in very/bad health, and obese children in reception, are the fifth highest of East Midlands districts. This is where the council's consultation work to refresh its corporate plans and improve its leisure centres in light of these statistics has played a crucial role in responding to and addressing this
- achievement of 9-5 in English and maths is the sixth lowest of East Midlands districts. ADC's ADMC and planetarium programmes are again key examples that could help this, by encouraging school pupils to visit these facilities, be inspired to study maths, science, technology and engineering, and possibly work within these or other local strategic facilities in future, and stay in the district.

## 5.5 Financial planning and management

The council manages its finances well and has sound financial planning processes. The strategic leadership team and cabinet consider regular reports. All reports to full council, cabinet and committees, and all executive and officer decision reports, require finance comments and sign-off. Where appropriate, these are accessible to

the public via the council's website.

The accounts for 2023/24 had just been finalised by the time of this CPC and showed an underspend against the council's budget with no detrimental impact on service delivery. As recommended by ADC's previous CPC, each annual budget report includes a summary position for the council's medium term financial strategy over the coming years, and underlying assumptions on which the numbers are based. ADC is preparing to implement a new core finance system from July 2024 to enhance future financial monitoring and reporting.

In balancing its budget for 2024/25, the council's revenue budget for 2023/24 is forecast to be broadly on track, with departmental overspends more than off-set by savings on capital financing (at least in part due to slippage on the capital programme). The 2024/25 annual budget report includes details of savings and efficiencies included in setting the budget for 2024/25.

ADC has good levels of reserves. Its general fund reserve was £9.2m on 31 March 2023, and its 2022/23 audited statement of accounts also shows healthy reserves. The revenue budget for 2024/25 assumes no funding is required from its general reserve but the council expects to need its reserves to smoothly transition to revised levels of funding once Local Government Funding Reform has been implemented. Its total earmarked reserves were forecast as at 1 April 2024 to be £17,756,000.

ADC's finances have been boosted substantially in the last few years by being awarded significant external funding including Future High Streets Fund, Towns Fund and UK Shared Prosperity Fund, as reflected in existing plans or in development.

The council operates a base budget review process, whereby it reviews all its service budgets line by line to realign them with service budget requirements. This is good practice as it helps ensure every penny is put to best use in line with ADC's corporate plan priorities. The council should therefore continue and develop this process to make best use of its finances.

ADC has a significant commercial investment property portfolio, on which it spent £42.4m from 2019/20 to 2022/23 inclusive. It is generating a valuable income stream for the council and had a fair value of £45.4 million as at March 2023. The portfolio is supported by an earmarked investment property reserve to mitigate the impact of rental void periods and any market fluctuations. This is helping to safeguard its long-

term future. The portfolio was however underperforming revenue income wise in 2023/24 and has suffered impairment of value. Following advice from the Chartered Institute of Public Finance and Accountancy, ADC ceased its strategy of acquiring further investment properties for income generation to support continued service delivery. The council's audit committee receives regular monitors the portfolio's performance to keep it in check, and full council receives relevant updates too. These include most recently updates on ADC's commercial property investment strategy with actual and forecast performance data on the portfolio. The audit committee, full council and relevant officers should continue to monitor the portfolio's progress and its associated reserve to address any emerging issues at the earliest opportunity to withstand any market changes.

The peer team were encouraged to hear that ADC procured and acted on external advice and support to inform its approach to managing its commercial portfolio. This gives the council access to insights and learning from commercial portfolio management in both the public and private sectors.

There are notable savings plans to achieve a balanced budget in 2024/25 with a £6-7 million deficit forecast in 2026/27. A range of savings possibilities is being explored. Once the council has formally identified these possibilities, it needs to develop and deliver robust plans early on to ensure it meets these savings requirements. If ADC does not identify further deliverable savings, its general fund reserve is likely to be significantly impacted, beyond its already anticipated use to smoothly transition to revised levels of funding once the Local Government Funding Reform has been implemented.

The peer team heard that the council's approach to minimum revenue provision (MRP) is legally compliant but it is towards the lower quartile of district councils. ADC has also been challenged as to whether its current approach is 'more prudent' than its previous approach. ADC should therefore keep its approach to MRP under review so it is not only legally compliant but can withstand any emerging issues.

## **5.6 Capacity for improvement**

ADC has an exciting organisational transformation programme underway. Most notably, this includes the implementation of its DMA programme, which the council wanted this CPC to explore. The council has rolled out the DMA model to Assistant



Director level, and has made great progress in doing so. Executive and Assistant Directors generally understand the model's benefits and opportunities, and staff at all levels are talking positively about DMA. They are bought into it, they understand what it can enable, and are starting to feel, and be seen as empowered and trusted to make decisions and change work practices.

The council's organisational transformation programme also includes the LGA's existing support to the council, and ADC's HR team's work, on a workforce planning review, aiming to reach level four maturity. This project involves: the consideration of the council as an employer of choice, retention and opportunities to grow its own officers through alternative approaches such as 'career graded' posts, apprenticeships, and graduate positions.

Staff are excited and supportive of the council's learning and development programmes via its HR Team for existing and future managers. Staff for example spoke positively about ADC's Aspiring Leaders programme, which the council runs with its HR partner Mansfield District Council with some support from the LGA.

Some Assistant Directors remain too focused on operational rather than strategic detail. In some instances, this reflects their career journey through the council, whereby they have previously been in roles requiring them to focus on operations. Others have only recently been promoted into these more strategic roles and are still settling into working at this level. The council also has a number of vacancies, meaning that some Assistant Directors can get more involved in operational work than would otherwise be the case. In any case, focussing on operational rather than strategic details at this level can hold back some Assistant Directors' full potential and that of their teams. ADC should therefore further support its Assistant Directors and fill its existing vacancies, so staff can confidently make the best decisions afforded to them through the DMA model. This will benefit the work of the whole council for its local communities.

Having rolled out DMA to Assistant Director level, ADC should continue this roll out to service managers and beyond to empower all its staff and realise all the benefits, which are understandably at an early stage. A clear communication plan would help in this regard, ensuring all staff understand the role and function of DMA outcomes.

The peer team particularly noted how excited and engaged the Working Together

Group were. There is a real positive 'buzz' to this group, who are getting things done. They are also breaking down siloes and forging new, constructive networks and relationships across teams. The Working Together Group would be even more effective if the council formally dedicated time to these staff to deliver related activities and outcomes, as opposed to it currently being an 'addition to the day job'.

Cabinet and external partners have nothing but praise for staff across the council, including through the council's performance management and PDR processes, for how they are successfully delivering services to benefit local communities.

The council is however experiencing issues with its HR partnership with Mansfield District Council, not least because it is based in Mansfield. This makes it more distant and removed from where ADC staff would like it to be, and makes it harder to work most effectively with the partnership, particularly at the pace sought by ADC.

There are also mixed views on the council's job evaluation (JE) scheme, which is not being undertaken at pace. Views expressed to the peer team include that the pay outcomes of the JE process is making it difficult to attract and recruit talent. The pace of undertaking job evaluations is seen to be slowing down some service reviews, risking reducing the speed at which savings can be made. A key question raised by staff was whether it is the JE scheme itself, or its application, which is the route of dissatisfaction.

In light of these HR partnership and JE issues, ADC recognises that it needs to review its HR needs and reconsider the purpose and role of any future HR function and JE scheme in a timely way. This will enable the council to progress what its needs to support and get the best from its staff. This includes ensuring JE is being practically and consistently applied throughout ADC to achieve clear, appropriate and agreed goals to align with and progress the council's ambitious pace of change requirements. ADC has already established a specific project to progress and deliver the JE review and implement job families consistently across the council.

The council has a corporate approach to PDRs but there is scope to improve its completion rates. There is also an opportunity to better collate and analyse information from all PDRs to inform staff development programmes.

Finally, as mentioned in section 5.1, the council is looking into internal equalities workforce issues and its existing workforce demographic data to inform its approach.

Current projects include enhancing recruitment practices, and better supporting staff from minority groups. ADC should continue this work to not only recruit but also support and retain a more diverse workforce to best support all its local, diverse communities. The council has internally worked on and promoted various equality related events, national days, weeks and other campaigns. As it analyses its workforce demographic data and engages more with its staff, it could usefully expand this work to include events such as Black History Month, Ramadan and International Women's Day. It could also establish and clearly signpost to staff network groups, for example for women, ethnic minority groups, those with disabilities, and those who identify as LGBTQIA+ (lesbian, gay, bisexual, transgender, queer, questioning, intersex, asexual, and other diverse gender and sexual identities).

## 6. Next steps

It is recognised that ADC's senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. As part of the CPC, the council is also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at ADC is to be confirmed.

In the meantime, Mark Edgell, Principal Adviser for the East Midlands, Yorkshire and The Humber, and the North East, is the main contact between your council and the LGA. Mark and his colleagues are available to discuss any further support the council requires via [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk).