

<b>Report To:</b>	CABINET	<b>Date:</b>	22 JUNE 2017
<b>Heading:</b>	LGA PEER CHALLENGE REPORT AND UPDATED CORPORATE PLAN		
<b>Portfolio Holder:</b>	CLLR CHERYL BUTLER – LEADER OF THE COUNCIL		
<b>Ward/s:</b>	ALL		
<b>Key Decision:</b>	Yes		
<b>Subject To Call-In:</b>	Yes		

### **Purpose Of Report**

To seek Cabinet sign off for the LGA Peer Challenge Report and updated Corporate Plan

### **Recommendation(s)**

- 1. That Cabinet endorses the findings of the Local Government Association Peer Challenge (contained in the attached report)**
- 2. That Cabinet approve the actions arising from the LGA Peer Challenge report as detailed in this report**
- 3. That Cabinet asks the Overview and Scrutiny Committee to monitor the implementation of the actions during the municipal year 2017/18**
- 4. That Cabinet approve the updates made to the Corporate Plan (as attached) and delegate to the Chief Executive in consultation with the Leader minor changes prior to publication**

### **Reasons For Recommendation(s)**

The Peer Challenge Review undertaken by the Local Government Association in March 2017 is designed to support Councils and is part of a sector led improvement programme. There is an expectation from the LGA and government that the findings will be used to support improvements. It was therefore determined at the outset of the review that the results would be presented to Cabinet to ensure transparency and to sanction any actions arising from the report.

### **Alternative Options Considered (With Reasons Why Not Adopted)**

The Cabinet could opt not to endorse the LGA Peer Challenge Report or determine other actions arising from it. Not to endorse the report would undermine the process and wider sector led improvement programme and furthermore there is no basis for doing so. In regards to the actions identified these stem directly from the report findings.

## **Detailed Information**

In 2015 the new Council Administration adopted a revised Corporate Plan and directed the new Chief Executive to deliver significant change to the organisation in terms of its culture and operational delivery. Key objectives included;

- An urgent drive to increase income to offset the reduction in government grants
- A more proactive and positive culture
- A more influential and partnership focused Council
- An improved operational grip particularly on projects
- A focus on Ashfield as a place and a focus on economic development
- A longer term approach to modernisation and technology supporting improvements to customers.

As part of the changes brought in over the last two years the Council has adopted a revised approach to performance management and this included a commitment to undertake a LGA Peer Challenge process to provide external and objective assessment of the Council's progress. In particular the Council wished to assess progress against the previous LGA Peer Challenge in 2013 which highlighted a number of problems and associated improvements that the Council needed to make.

The findings from the 2017 Peer Challenge Review are very positive for the Council and show a significant improvement in Leadership and culture. The review also demonstrates that the Council is more focused on the needs of its communities and has a strong and growing reputation with its partners as a good organisation to work with. The report also highlights areas of development and improvement which the Council will follow up through an action plan.

### **The Peer Challenge Process**

The Peer Team was made up of:

- **David Marchant**, Chief Executive (Castle Point Borough Council)
- **Councillor David Ellesmere**, Leader (Ipswich Borough Council)
- **Donna Parham**, Assistant Director of Finance and Corporate Services (South Somerset District Council)
- **Kirsten Burnett**, Head of HR (Hyndburn Borough Council)
- **Satvinder Rana** - Programme Manager (LGA)

The Peer Team considered the following five questions which are looked at by all Peer Challenges:

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?

The Council also specifically asked the Peer Team to comment on the Council's Commercialism, Transformation and Customer Services agendas.

The Peer Team spent 3 days at the Council speaking to more than 55 people which included Council staff, Councillors, external partners and stakeholders as well as reviewing extensive documentation and information.

The full report written by the LGA Peer Challenge Team is attached at appendix 1, a copy of the Executive Summary is shown below.

## **1. Executive Summary**

*Ashfield District Council is an ambitious and enterprising council with a good understanding and awareness of the opportunities and challenges the place brings. These are clearly articulated by the council in its corporate plan and are backed up with a range of initiatives and programmes to deliver good quality services through a more efficient and effective council organisation. The council has identified five key themes and these have been communicated well among staff, partners and the local community. There is very good engagement by members in providing political leadership and developing productive relationships with sub regional partners. The council is now trying to develop and promote the identity of Ashfield as a place through the 'Ashfield Story'.*

*There has been a step change in the political and managerial leadership of the organisation which has led to the council becoming a more confident organisation. There is good understanding of the nature and scale of the challenges the council faces and the leadership team has grasped these in a positive way. There are good trusting relations between senior members and staff and there is clarity of understanding of member and officer roles and responsibilities.*

*The council has put in place effective internal and external communication mechanisms which are leading to positive perceptions of the council as an employer and partner. It is seen as a good place to work and a trusting partner to do business with. The council is outward-looking, it connects with its partners and is well respected by them. This was a regular feature of the conversations the peer team had with the range of external partners. They regard Ashfield DC as a good place and a different place to what it used to be in the past.*

*The council recognises the need for further change and has an ambitious programme to deliver for the needs of Ashfield residents. It has the ability to recognise that change is really important and has a great opportunity now to do things differently.*

*Like most of the local government family the council is under financial pressures and needs to ensure it stays ahead of the curve in managing these. Ashfield DC is facing a £3.8m gap in its budget over the next five years. Nevertheless, it has a real understanding of the need to fill this gap and is taking steps to do so. It now needs to ensure that its strategies for dealing with the financial pressures are reflected in its long-term plans and that these are communicated widely.*

*The key strategic direction of the council is to become a smaller and more commercial organisation with a clear focus on the delivery of good quality, value for money services. It has put in place an ambitious programme to enable it to make that change. Given this ambitious programme, the council needs to be cautious about tackling these issues on a broad front and should prioritise a few areas which will lead to the greatest outcomes for the local community. This will ensure that capacity is developed and deployed in a coordinated and smart way.*

### **Key recommendations**

*In moving forward our key recommendations are:*

- 1) Review the corporate plan annually to identify a small number of key priorities for the year. These priorities should be performance managed and progress reported to cabinet regularly.*
- 2) Grasp the new strategic opportunities that are before the council which could lead to great outcomes for Ashfield's communities. Partnership working and maintaining excellent relationships with stakeholders across the region and sub-region will be critical to this.*
- 3) Agree which of the new initiatives are going to deliver the best outcomes and savings for the council and prioritise accordingly. These priorities should have robust business/delivery plans, savings targets and governance structures backing them up and they should then be communicated widely.*
- 4) Concentrate the new initiatives (i.e. commercialisation, transformation and customer services) into a single Ashfield Business Model. This will help to crystallise your ambitions and present a uniform strategy rather than three discrete programmes.*
- 5) Agree financial targets for the six key savings streams. These should then be included in the Medium Term Financial Strategy (MTFS) and performance managed.*
- 6) Combine MTFS, Budget and the Capital Programme into one combined comprehensive MTFP. This will help in managing and communicating a clear and consistent picture of the financial state of the organisation.*
- 7) Consider how to create greater involvement of opposition members in more strategic scrutiny reviews. This could involve developing a more ambitious scrutiny programme and conducting scrutiny through commissions and deep-dives around key work programme areas and strategic priorities.*
- 8) Facilitate member involvement in designing an Induction programme for Councillors. This will help to ensure that all new members are quickly inducted into the culture of the organisation and are familiar with the aspirations of the council, as well as their roles and responsibilities within it.*
- 9) Instigate an early review of project management, performance management and Area Committees. There is potential here to release member and officer capacity and deploy it more productively across the organisation.*

In addition to the executive summary and recommendations set out above, the following comments by the Peer Challenge Team are worthy of note and recognition by the Council:

Pleasingly, there was a clear recognition that Member and Officer relationships had improved since the review carried out in 2013. The Peer Team believes that political and managerial leadership is strong and visible and that the relationships with its partners and external stakeholders are both strong and constructive. The political and managerial leadership is supported by good governance and decision making arrangements across the Council. The

Peer Team was very impressed with the quality of staff they met finding them motivated and enthusiastic about the future and potential new ways of working. Further, the Peer Team specifically commented that:

*“There is now much better and improved member and officer relationship, trust and cross party communication in the council. This is a good indicator of the health of the organisation and represents a clear shift from where the council was a few years ago to where it is now... The improvements in member and officer relationships are highly valued by staff who appreciate that they have less distraction than previously and feel that Cabinet gives clearer directions, makes decisions and sees them through.” (Pages 7 and 11).*

The Peer Team made a further recommendation in respect of the Members’ Complaints process suggesting that this is reviewed because *“[t]here are still some ‘politically motivated’ complaints which are diverting energy and resources into dealing with them... The complaints procedure needs to be proportionate and should be used to address the most pressing concerns.” (Page 7)*

There was recognition that communication channels across the Council had improved, for instance, by introducing the Cross Party Update Group, and recommended that the Council continues with this and other communications channels. The Peer Team also commented that *“[t]he changes to access arrangements for members have been positive ... and should continue...” (page 8).*

Finally, the Challenge Team, recognised the views of Members and recommended a review of the Council’s community engagement processes noting that *“[t]here is a general consensus that Area Committees are not effective and that they consume high levels of resources. This model of community engagement is no longer working and we came across a real appetite among members to review this model and replace it with something that is more engaging, less resource intensive and one that reaches out to all sections of the local population.” (page 8)*

In response to the report and the recommendations the Council is responding through the following activity.

<b>LGA recommendation or advice</b>	<b>Council response</b>
LGA Recommendation 1	The Corporate Plan has been reviewed and updated with priorities identified (see attached)
LGA Recommendation 2	<ul style="list-style-type: none"> <li>a) The Council will maintain its momentum on the Place Leadership agenda developing a local Place Leadership Board focused on businesses</li> <li>b) Invest senior officer and Member time in key partnership meetings</li> <li>c) Articulate key priorities for the District to external partners</li> </ul>
LGA Recommendation 3	The reviewed corporate plan identifies key priorities
LGA Recommendation 4	A process to set out a single transformation vision for the future of the Council is underway. The delivery of this vision will be through a set of existing work strands such as the Commercial Enterprise and Technology Strategies

LGA Recommendation 5	The Council's next MTFS will provide targets where prudent to set them for the strands of our savings strategy where prudent to do so. Targets for the Commercial and Asset strands are already in development
LGA Recommendation 6	The Council will review the way in which it presents financial reports with a view to moving towards a combined report which sets out the budget, MTFS and capital programme
LGA Recommendation 7	A review of the Scrutiny function is needed to ensure that we are making the most of the value it can add. In the meantime the workplan should be aligned better with the corporate plan
LGA Recommendation 8	A revised Member induction programme and training for existing members will also be considered. The next large intake of new Councillors is not until the 2019 election
LGA Recommendation 9	The Council is reviewing its approach to engagement and feedback from Members suggests that a move away from Area Committees to other forms of engagement is required
Advice regarding communication channels and Member access arrangements	Adopt the advice of the Challenge Team, continuing to develop communication channels such as the Cross Party Update Group, members briefings and retain existing access arrangements for Members.
Advice that the Member Code of Conduct Complaints Process be reviewed	A review of the Member Complaints Process by the Standards and Personnel Appeals Committee to address politically motivated and trivial complaints.

## **Implications**

### **Corporate Plan:**

A revised Corporate plan is attached for endorsement and aligns with the contents of this report and the findings of the Peer Challenge

### **Legal:**

Constitutional issues are set out in the body of the report. Specific recommendations may involve legal issues as part of their development and implementation and these will be considered as part of the development/review process.

**Finance:**

This report is effective from 22/06/2017 and has no direct financial implications:

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	None
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	None
Housing Revenue Account – Capital Programme	None

**Human Resources / Equality and Diversity:**

There are no implications arising directly from this report

**Other Implications:**

There are no other implications arising directly from this report

**Reason(s) for Urgency (if applicable):**

Not applicable

**Exempt Report:**

Not applicable

**Background Papers**

None

**Report Author and Contact Officer**

**Rob Mitchell  
CHIEF EXECUTIVE**