AGENDA ITEM 6
OVERVIEW AND SCRUTINY COMMITTEE
14TH OCTOBER 2014

REPORT OF THE CHIEF EXECUTIVE
LOCAL GOVERNMENT ASSOCIATION CORPORATE PEER REVIEW

1.0 Summary of the Report

As part of the Local Government Association’s offer, councils have been given the opportunity to take part in a free external Peer Assessment carried out by senior officers and senior politicians from local authorities.

The process provides a council with an independent assessment on ways to improve council functions and governance arrangements against local need.

The Peer Challenge is not an inspection and councils complete a self-assessment and invite the Peer Team in. South Staffordshire Council’s Peer Review took place at the beginning of May 2014.

2.0 Recommendation to Council

2.1 For Members to note the outcome of the Peer Review and to endorse the approach being taken against the suggestions for consideration set out by the Peer Review team in 3.8 of the report.

3.0 Background Information

3.1 As Members will be aware the Local Government Association (LGA) recently carried out a corporate peer review on behalf of the Council.

3.2 The Peer Team was made up of experienced Elected Members and Officer Peers who focused the scope of the review on the following areas:

- consideration to help plan for the future and explore and develop further the Council’s aspirations beyond 2014;
- transformational and culture change, with a key focus on customer services

3.3 In addition the Peer Review Team considered the ability and capacity of the Council to deliver its future ambitions by looking at:

- understanding of the local context and priority setting;
- political and managerial leadership, governance and decision making;
- financial planning and viability; and
- organisational capacity to deliver priorities

3.4 Overall feedback was very positive with the Peer Review Team summarising "the Council is well run, is well regarded with trusted DCE - 1 -
managerial and political leadership. Officer and Member working relationships are clearly positive. This coupled with very effective partnership working across all sectors has enabled the Council to drive significant improvements over recent years and to position itself well in the current economic climate. Staff are highly motivated to deliver good quality services and there is a “family feel” to the organisation providing a very supportive environment during challenging times. This is demonstrated through positive staff surveys”.

3.5 The final report, which was circulated to Members in July and is attached as Appendix 1 to the report, highlights a number of strengths and challenges against the key headings identified in 3.3 of the report and can be summarised as follows:

1. **Understanding of the local context and priority settings**

   Over-arching strengths:
   - Clear understanding of the district and localities.
   - Good consultation and engagement with the community.
   - High levels of customer satisfaction.
   - Good stakeholder engagement in challenge panels.
   - Excellent Partnership working which included an award winning approach to economic growth through i54 South Staffordshire.

   Areas for consideration:
   - Consideration of grouping corporate priorities into more SMART objectives

2. **Political and managerial leadership**

   Overarching strengths:
   - Well regarded and trusted managerial and political leadership
   - Very effective partnership working across all sectors
   - Positive Officer and Member working relationships
   - Portfolio arrangements are working well
   - Community engagement with locality arrangements are well embedded across the district

   Areas for consideration:
   - Need for clarity around where strategic conversations take place
   - Greater transparency of forward planning
   - More engagement with staff and Members at an early stage in the process

3. **Governance and decision making**

   Overarching strengths:
   - The new challenge panels were well received and very effective at informing Members of the working of the Council
   - The constitution is being reviewed
• There is a general perception amongst Members and staff that decision making is effective and timely when required, for example, i54 South Staffordshire
• Member training is well regarded, for example, master classes

Areas for consideration:
• Further consideration of committee structures, particularly the size of Regulatory and greater Member focus of their roles in other committees, for example, Overview and Scrutiny
• Future boundary review?

4. Financial Planning and viability

Overarching strengths:
• Recognised as being financially well managed
• Good understanding at senior level of the fiscal challenges ahead
• Rigour in annual service challenge processes
• Balanced budget in the short to medium term
• Good income generation strategy

Areas for consideration:
• As with other council’s a greater need for wider communication of fiscal challenges and options available
• Robust challenge and evaluation of options versus scenarios to reflect the scale of the challenges ahead
• Need to actively plan with Members and staff and partners now

5. Organisational capacity and resources

Overarching strengths:
• Loyal, dedicated and supportive staff willing to go the extra mile
• Good commitment to staff training and development
• The new Aspire programme – a good example of succession planning
• Effective partnerships
• Building capacity in key areas
• Good examples of shared arrangements
• Adaptable and flexible organisation
• Good use of the management forum
• Co-location with multi-agency partners maximising the use of the council offices

Areas for consideration:
• Growing pressures on reducing workforce
• The on-going challenge around resilience and single person dependency
• Inter-service communications
• Further opportunities for agile working as part of the drive to improve customer service
• Project and programme management
• Has the Council got the right skill sets and structure for the organisation moving forward?

DCE - 3 -
6. **Customer Service Strategy**

Overarching strengths:
- Further investment in front of house activity
- Strong strategy in place
- Good use made of customer insight data and profiling
- Senior management buy-in
- High residence satisfaction and positive reputation

Areas for consideration:
- A need for clear project and programme management to overcome managing conflicting priorities and demand for resources
- Clarity around efficiency savings arising from the Customer Services Strategy
- Stronger communication of the service offerings

3.8 Based on the overarching suggestions for consideration the Peer Review Team summarised them into the following key actions. (The bold and italic text indicates how the Council’s Management Team is responding on how they are planning to work through the actions over the coming months).

- Consider grouping of the current 19 corporate priorities into a smaller number of overarching aims or themes that can easily be understood and communicated to all staff and residents.

  *The current Council Plan is already grouped around three distinct headings – Your Place, Your Community and Your Council. A more focused approach will be considered when developing the new Council Plan for 2016/20.*

- Promote greater transparency of forward planning and encourage more constructive challenge across officers and members in terms of informing future and strategic direction.

  *Early planning has commenced with Members and Officers in preparation for the new Council Plan post 2016. A series of staff, Member and partner workshops and forums will now be held over the next three months mapping out a clear direction of travel and options available. Clear drivers will remain around finance and customer and our workforce with a stronger emphasis on efficiencies and income.*

- Progress the constitution review with pace and consider a dedicated planning committee with reduced numbers.

  *As agreed with Members the constitution will continue to be reviewed over the next twelve months and fed through the Overview and Scrutiny Committee to challenge changes being proposed. In relation to a dedicated planning committee Members considered this and voted against it during a Challenge Panel Review of the Regulatory Committee. However as part of the six monthly review of the Challenge Panel*
recommendations the size of Planning Committee will be discussed again.

- Develop a cohesive corporate programme to co-ordinate all current initiatives in order to provide reassurance that adequate resources can be allocated and projects prioritised – this will facilitate organisational resilience going forward as part of the work to map out the direction of travel around key corporate projects.

**Work is continuing with Alexander Associates who have supported the Council with their on-going efficiency programme. Planning for the new Council Plan will also set out projects that need to be prioritised and where resources need to be directed. The improvement process through the organisational platform for efficiencies is a key supporting document for this.**

- Review the terms of reference for all specific projects, composition of project teams in terms of appropriate skill sets and terms of reference for the programme board to help refocus the projects and ensure efficiencies are maximised.

**The programme board will be the Strategic Management Team. The review of terms of reference and composition of teams will flow from the work being carried out by Alexander Associates and development of the efficiency and income generation programmes.**

4.0 Alternative Options Considered

4.1 None

5.0 Reasons for Decision

5.1 To ensure continuous improvement across the Council.

6.0 Links to Council Plan

6.1 All aspects of the Council Plan.

7.0 Scrutiny Powers

7.1 This report is going to Overview & Scrutiny Committee and therefore the call-in process does not apply.

8.0 Financial Implications

8.1 None

9.0 Legal Powers for Proposed Action

9.1 Section 1 of the Localism Act, 2011.
10.0 Crime and Disorder Implications

10.1 Section 17 of the Crime and Disorder Act, 1998, places a duty on a local authority to consider crime and disorder implications and to exercise its various functions with due regard to the likely effect of the exercise of those functions on and to do all that it reasonably can to prevent crime and disorder in its area.

10.2 Unless otherwise stated below this proposed decision is not considered to have any adverse impact for the purposes of the Crime and Disorder Act and all matters have been considered in relation thereto.

11.0 Equal Opportunities/Diversity Implications

11.1 Unless otherwise stated, this proposed decision is not considered to have any adverse implications to and is considered to comply with the Council’s equal opportunities/diversity policies.

12.0 Sustainability Issues

12.1 South Staffordshire Council is committed to the principles of sustainability. Tackling climate change is a strategic priority and protection and enhancement of the local environment is at the heart of the Council’s vision for local communities. As such, the Council is committed to:

- Use resources efficiently.
- Minimise pollution and waste.
- Protect and enhance the local natural and built environments.
- Provide services which meet current local needs whilst ensuring the local environment is protected for future generations.
- Lead by example and consider the environmental impact of its decisions.

12.2 Unless otherwise stated below, this proposed decision is not considered to result in any significant adverse impact on sustainability or substantially contribute to the causes of climate change.

13.0 Health and Wellbeing Issues

13.1 Unless otherwise stated all matters reported are not considered to have any significant adverse impact on health and wellbeing and all matters have been considered in relation thereto.

14.0 Risk Assessment

14.1 Links to the Councils overarching Corporate Risk Register

15.0 Consultation undertaken

15.1 None
16.0 Category of Exempt Information

16.1 This matter is not exempt information for the purposes of Part 1 of Schedule 12(a) to the Local Government Act, 1972

17.0 Background Documents

17.1 None.

18.0 Policy/Budgetary Compliance

18.1 This proposed decision complies with and, indeed, supports the Council’s overall policies and corporate aims and objectives and does not give rise to any change in policy relevant to this service area or new expenditure not falling within the approved budget.

19.0 Key Decision Information

19.1 This is not a key decision as it does not involve expenditure or savings in excess of £300,000 nor is it significant in its effects on two or more wards or electoral divisions within the Council’s area and has not therefore been included in the Forward Plan.

20.0 Conflicts of Interest Declared

20.1 None declared.

21.0 Dispensations granted by the Standards Committee

21.1 None granted.

22.0 Appendices

22.1 Peer Review Challenge letter – previously circulated
Steve Winterflood  
Chief Executive  
South Staffordshire District Council  
Wolverhampton Road  
Codsall  
West Midlands, WV8 1PX

25th June 2014

Dear Steve

South Staffordshire District Council – Corporate Peer Challenge

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into South Staffordshire District Council to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement. We commend the council for its willingness to invite an external team to provide feedback.

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

- Stuart Brown – Chief Executive, Mendip District Council
- Cllr Neil Clarke (Conservative) – Council Leader, Rushcliffe Borough Council
- Jackie Yates – Executive Director, Organisational Development & Corporate Resources, Oxford City Council
- Caron Starkey – Head of Change, West Dorset District Council and Weymouth & Portland Borough Council
- Peter Rentell – Programme Manager, LGA (peer challenge manager)
- Lee Bruce – LGA Public Affairs and Campaigns Adviser (Shadow role)
Scope and focus of the peer challenge

You asked the peer team to consider:

- Provision of an external consideration to help plan for the future and explore and develop further your aspirations beyond 2014/15;
- A specific focus around transformational and cultural change with key focus on customer services.

In addition the peer team considered the ability and capacity of the council to deliver its future ambitions by looking at:

- Understanding of the local context and priority setting
- Political and managerial leadership, governance and decision-making
- Financial planning and viability
- Organisational capacity to deliver your priorities

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual council’s 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 and views shared by the people they met, the things they saw and the material they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing.

This letter provides a summary of the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (29th April to 1st May 2014). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing. The LGA would be pleased to be involved with any further support you might require to progress any issues arising.

We also hope the feedback provided will help stimulate further debate and thinking about the continuous improvement programme for South Staffordshire and how it might develop and evolve.
Summary of feedback: overall observations and messages

South Staffordshire is a relatively small and rural district council on the western fringes of the West Midlands conurbation, most notably Wolverhampton, Dudley and Walsall. It is the most southerly of the ten Staffordshire authorities, with much of the area (80%) lying within the West Midlands Green Belt.

Without a dominant urban centre, the district is made up of 27 Parishes with a dispersed settlement pattern of villages, both large (over 13,000 residents) and small, each set in attractive countryside. The population is circa 108,000 and whilst predicted to rise, the main issue for the council is the ageing population, and the declining working age population, both of which will impact on service provision. The council however is well aware of this and is taking this into account in its strategic planning.

Councillors, officers and residents are quite rightly proud of their area, and clearly demonstrate an ambition and drive to protect the green belt. This was a dominant feature in many of the peer team focus groups, and is a very strong undertaking from councillors.

Being a ‘community of communities’, the council broke down the district into five ‘localities’ in 2007, and since then have developed a series of locality profiles to enable the local provision of services. Feedback confirms that this arrangement has proven to be very successful with both a clear understanding of its workings and knowledge of their communities by councillors and officers alike. More importantly, this local approach is held in high regard by local residents. This framework has been further supplemented by the introduction of Village Agents, working in a community development capacity; however the profile of the agents was regarded as patchy by the Residents Panel. Therefore, whilst clearly complementing the ‘localities’ approach, more work needs to be undertaken to communicate and raise the profile of these roles to maximise the benefits of the investment.

The peer team noted a very good level of community consultation and engagement generally within the district, and it is pleasing to see that this commitment has been recognised via a Municipal Journal Award for Community Investor.

This community based approach, coupled with well performing services, has culminated in high levels of customer satisfaction, echoed very strongly by the peer team Resident’s Panel.

Notwithstanding the priority of protecting the green belt, the council has worked in partnership with both Staffordshire County Council and the City of Wolverhampton to develop an award winning c100 hectare area on the borders of Wolverhampton as a high technology investment site (i54 South Staffordshire). This will go a long way to addressing the local growth agenda, whilst at the same time protecting the green belt and deriving an important source of income to the council in the future.
South Staffordshire is a well-run council, with well-regarded and trusted managerial and political leadership. Officer and member working relationships are clearly positive. This, coupled with very effective partnership working across all sectors, has enabled the council to drive significant improvements over recent years, and to position itself well in the current economic climate. Staff are highly motivated to deliver good quality services and there is a 'family feel' to the organisation, providing a very supportive environment during challenging times. This is demonstrated through positive staff surveys.

The council's approach to strategic planning has culminated in a number of corporate priorities. However, the peer team feel that there would be considerable merit in grouping these priorities into a smaller number of 'themes' in order to more effectively communicate the wider ambitions of the council to local residents and track delivery.

Whilst strategic planning was evident, the peer team noted a lack of clarity around where 'strategic conversations' take place, and who (officers and members) are involved in them. Given the challenges ahead for local government generally, and therefore South Staffordshire, it is considered that broader engagement of senior officers and members in these conversations, could both provide constructive challenge and add value to the process as well as aid 'buy in'.

South Staffordshire is embracing new and innovative models of working (e.g. sharing of office space with key partner organisations), and is clearly keen to further explore service integration opportunities where these might be of benefit. The council has entered into a number of shared service arrangements (internal audit/communications/pest control) with positive outcomes and continues to explore joint opportunities where there is the required expertise to improve services. It also has in place a number of successful partnership arrangements, and continues to work within the philosophy of "if it works for us then we'll do it" but without necessarily feeling the need to pursue these options. The council recognise the need for partnership working to address capacity issues and have adopted a pragmatic approach.

Despite having reduced the size of the organisation, the council has weathered the first few years of government grant cuts better than many other places. The council's finances are under control and short to medium term plans are in place. The council has demonstrated its ability to deliver efficiencies through a Transformation Delivery Plan (TDP), launched in 2011, which over achieved its delivery target 2 years ahead of schedule, saving the council circa £2.4m. An Income Generation Group has also now been established to identify opportunities in this area. Whilst longer term plans are still at their formative stages, there is confidence that options are available to deliver a financially sustainable council.

In terms of governance and decision making, it is clear that the Challenge Panels are very effective and highly regarded. However, the Peer team consider that there is significant merit in reviewing the Committee structure, particularly the Regulatory
and Scrutiny Committees. This could be encompassed within the planned review of the Constitution later this year.

The peer team were also asked to look specifically at the council’s ambition to become an even more customer focussed organisation. In this regard there is clear evidence that a strategy is in place, investment has been made, and there is clear senior management support. However, some thought now needs to be given to how the programme of projects are drawn together within the context of reduced resources. In addition, a well-developed communication strategy would assist in clarifying what the public can expect from the council’s customer ambitions.

In summary, South Staffordshire is a good council, with strong leadership provided by both the Chief Executive and the Leader of the Council, complemented by committed and supportive officers and members. Whilst awareness of the fiscal challenges ahead for local government are patchy, there is no sense of an impending financial crisis at South Staffordshire though future actions are clearly required to avoid this becoming an issue and the council are already undertaking work to address this. In addition, the peer team felt the self-assessment produced by the council was honest and reflected good self-awareness.

The key elements the corporate peer challenge looked at were:

1. Understanding of the Local Context and Priority Setting

Good evidence of well researched local context through use of a locality profiling framework. There is a high level of community engagement and consultation and evidence of the Impact of the Village Agents working well within communities. The Community Budget scheme is a way of directing funding into local projects. Stakeholders also have opportunities to shape services through the Challenge Panels which explore options for change.

The Corporate Plan runs from 2012-16 and has 19 equal priorities that were developed by a cross cutting working group led by the Leader and widely consulted on. The priorities are grouped under Your Place, Your Community and Your Council with set measures and targets for assessing success.

The council has developed an improvement process to progress key priority areas around ‘finance, workforce and the customer’ in a conscious decision to move away from performance management in its traditional sense. This is intended to introduce a cultural shift whereby organisationally the organisation strives for continuous improvement and makes it sharper and leaner. Whilst laudable this can be in conflict if transformational change is required to meet future challenges so we suggest the council ensures there is clear definition of what continuous improvement means. Additionally, we had evidence from interviews and focus groups that some delivery is patchy due to capacity issues and a lack of buy in.
An award winning approach to the development of a high technology investment site (i54 South Staffordshire) with neighbouring authorities will go a long way to addressing the local growth agenda, whilst at the same time protecting the green belt and deriving an important source of income to the council in the future. In addition, the council are exceeding their housing targets and are on track to deliver affordable housing.

Some officers expressed that it was difficult to convey adequate external messaging for the 19 priorities due to number and insistence that all are equal. Consideration could be given to grouping the corporate priorities under overarching aims that would assist communities to understand the main ambitions of the council. We would recommend no more than four or five strategic priorities that can be easily understood and communicated to staff and residents. Additionally, some of the priorities are actual deliverables to be achieved by the council and others are ambitions that can only be influenced by them as they are not responsible for the delivery.

It may assist South Staffordshire to make clear those things that they are responsible for (and residents pay for) and those that they can only influence and have to rely on the actions of partners to deliver. This may also help identify further SMART service objectives for the council for the aims and priorities which will assist in tracking progress and ultimate success during the life of the plan.

2. Leadership, Governance and Decision Making

There was evidence from many sources of absolute trust in the managerial leadership. Members also had complete faith in the managerial and political leadership of the organisation. We evidenced excellent officer/member relationships and all members stated that they all worked together well despite political differences. Members valued the insight that the Challenge Panels gave to the workings of the council and the development of new ways of working. However, they appear to be a result of ineffective scrutiny which needs to be looked at as part of the constitution review.

We noted a very good level of community consultation and engagement generally within the district and across localities, and it is pleasing to see that this commitment has been recognised via a Municipal Journal Award for Community Investor.

Partnership working is exemplary within South Staffordshire and partners and stakeholders we met couldn’t speak highly enough of the support and assistance afforded by senior officers to break down barriers and ensure partnering is successful, this includes significant co-location at the council offices. One neighbouring Chief Executive stated that in his time in local government South Staffordshire were the best council he had worked with. The key focus is on developing a true integrated commissioning partnership to connect services locally through the new ‘Goodlife Hubs’. The council has seconded a two year post from the County Council to drive forward priorities in a Wellbeing plan and influence commissioning intentions.

Due to the success of the TDP the Chief Executive and Deputy Chief Executive were very confident in their ability to manage the financial challenges ahead and the
Members appeared to trust them completely. However, senior management and members acknowledged that there is a need for a review and re-positioning of the future strategic direction following the 2015 elections. We are aware that the council is now preparing for a new plan for 2016-20.

There appeared to be no clear evidence of constructive challenge within SMT with a lack of clarity around where strategic conversations take place and who (from officers and members) are involved in them to inform forward planning and strategic decision making. This could potentially result in a lack of ‘buy in’ and ownership of decisions. Equally, able officers lower down the organisation have ‘strategic’ within their job titles, yet it was not totally clear to the peer team what opportunity they have to shape and challenge thinking other than the monthly service manager’s forum. It is considered that broader engagement of senior officers and members in these conversations would provide more open and transparent challenge, add value to the process as well as aid ‘buy in’. In addition, the ASPIRE programme is an ideal forum to help shape and lead on future communications across the council.

It was obvious from interviews during the week that strategic conversations are limited to the Chief and Deputy Chief Executive, more than once it was quoted by both senior officers and non-executive members “there is a plan but we don’t know what it is but we trust them”. Greater transparency of forward planning may assist with internal and external communications and help all understand the need for difficult future decisions and changes in strategic direction.

There was a general lack of challenge by officers and members both during witnessed meetings and quoted during conversations “everyone is very polite and nice to each other” and “some of the arrangements have become cosy” this was suggested that it may be due to familiarity set in by long standing appointments. This could lead to complacency and should be carefully monitored.

Generally, most welcomed the upcoming review of the constitution and acknowledged there are existing issues. Challenge Panels were applauded by all interviewees. Non-executive members stated that they received good information and briefings from officers and the ‘Masterclass’ training sessions were particularly valued but they sometimes felt overwhelmed by the volume of information and amount of change that was occurring.

A lot of resources are directed at supporting and undertaking decision making. The frequency and attendees of meetings was very high, reducing these numbers could achieve efficiencies without impacting due process or outcomes. It was clear from senior officer interviews that the move to a customer satisfaction performance framework was not completely understood or bought into. Concern was expressed over the validity of data and measures for internal support services.

The Regulatory Committee consists of all members. This is a quasi-judicial committee which appears to have some agenda items that should have been delegated decisions,
as the peer challenge team witnessed all members supporting a recommendation with none opposing. This gave the impression of a Full Council debate with wider commentary, rather than a planning application decision. Although most non-executive members we spoke to expressed a view that the committee should be unchanged, the officers and some senior members interviewed stated that the committee was too large and a burden to support. The council may wish to consider a dedicated Planning Committee with reduced numbers, together with a separate committee for other regulatory matters. This would allow full attendance at each meeting.

The council may also wish to consider the possibility of a boundary review to reduce the total number of councillors. This might be appropriate during the course of the next council term, becoming effective in 2019.

3. Financial Planning and Viability

The council are recognised as being financially well managed and all were very proud of their track record of financial management and value for money and this was evidenced by customer survey results. There are plans for the short and medium term although these rely heavily on the use of reserves and are not sustainable going forward. There did appear to be some scenario planning looking at the cost and resources required for a number of different options. It is acknowledged that the new 2016-20 Plan will be based on assessment of a range of options to determine the financial plan and as an example; scenarios have already been costed for the council position without New Homes Bonus.

The annual service challenge process has rigour and is regarded by senior managers as a genuine zero based budgeting process where all aspects of service expenditure are analysed and challenged. The Deputy Chief Executive leads an income generation working group that has already explored various options. The group has secured LGA funding to support progress and engaged external commercial advice from David Robson and Partners LLP with a framework developed to test and challenge future ideas. Whilst this work is important the council must ensure it is considered as part of the solution in meeting all financial challenges and that some of the ideas generated might ultimately not prove to be viable.

Few officers or members expressed any detailed knowledge of long term financial plans or options for the future direction of the organisation. All appear to be relying on the successful track record of past management and trust the Chief Executive and the Deputy Chief Executive to deliver a plan at some point. This absolute trust is admirable but also potentially dangerous if there are no viable plans in development, therefore, we suggest some form of continuity plan is developed involving other senior officers and members. The trust and morale of the organisation could be eroded very quickly if the plans, once shared, do not receive buy in or meet requirements.

There is general reference in the MTFP report of the need for the General Fund Balance to be at least £1m which in itself would make the gap in year five £1.8m as a
minimum. However, assumptions with regard to council tax increases (2% p.a. from 16/17) and the on-going dependence on New Homes Bonus (assumed £1.7m by year five) may need to be re-assessed post the next local and national elections. If this is the case it will potentially increase the size of the gap further.

Due to the uncertainty in the longer term, many authorities have taken the decision to use the New Homes Bonus to fund capital rather than revenue expenditure on the basis capital schemes can be more easily turned off. Additionally, there appears to be minimal capital investment beyond the current year, particularly in relation to improvement projects i.e. agile/mobile working. Any additional investment will increase pressure on the revenue budget further due to the need to either finance directly or prudentially borrow. However, the council has recognised this and instigated initiatives to find alternative sources of long-term capital, including the District Deal to attract funding from partners and the private sector and the development of a Limited Liability Partnership with access to international finance through the Infrastructure Delivery Plan.

Whilst there is an assumption among staff that the ‘problem’ will be resolved there is also a general perception that it’s not an issue that needs to be dealt with now. This is arguably reinforced by the lack of efficiency targets ascribed to improvement projects e.g. agile working, customer service etc.

The solutions that senior management are pursuing e.g. income generation, are not understood in any detail by other key senior staff. Importantly, although finance input has recently been sought for a ‘particular aspect of the project’, the council should ensure finance team are fully involved, once an idea generated has been further developed as a viable option, in terms of validating and understanding the implications of payment mechanisms, costing services, understanding recharges and articulating those in terms of what it means for the council’s accounts.

Discussions with members also indicated a lack of awareness of other council’s approaches to charging and trading, e.g. green waste. We acknowledge that a Deloitte report was commissioned in October 2012 to benchmark fees and charges for councils in Staffordshire but suggest that members are provided with refreshed comprehensive comparator data for fees and charges as part of the next MTFP refresh.

4. Organisational Capacity and Resources

We found extremely loyal and dedicated staff with some very talented individuals that appear to be carrying a lot of responsibility and heavy workloads. The organisation has demonstrated a commitment to staff training and development by protecting budgets and through the ASPIRE programme for management development and succession planning. Staff constantly talked about a supportive working environment with a ‘can do’ attitude.

The council has used partnerships to resolve the usual capacity issues for a small district council and alleviate some of their single person dependencies. It is aware of
resilience issues and is actively trying to manage these. However, it is an area that needs to be kept under review.

There are some good examples of shared arrangements, such as PR and communications, internal audit and pest control, and good use of co-location of multi-agency partners within the council offices. The council is adaptable and flexible to future needs and changing demands. The council has developed an apprentice scheme and to date they have recruited 7 apprentices.

Officers and members acknowledged the pressures facing teams and individuals as the organisation reduces. There are a lot of good initiatives but they are not co-ordinated and individuals expressed concern to deliver all of the stated ambitions. A cohesive corporate programme would provide reassurance that adequate resources can be allocated and projects prioritised. Some individuals and teams are very stretched and there was evidence of potential 'burn out'. Some officers and members were very concerned over the expertise that had been lost during the TDP.

 Whilst it is recognised that senior managers are seeking to address single points of failure and capacity issues through the development of partnership arrangements this is an area that needs to be kept under constant review as feedback from staff is that capacity is a significant issue in certain areas, particularly those which experienced staffing reductions during the recession and are now seeing an upturn in demand as the economy improves. The Management Forum is very well regarded by those involved and seems an excellent forum for cross-service and organisational matters.

The council has taken a pragmatic approach to developing partnership arrangements to address resilience issues rather than working with a 'lead partner'. Whilst this may be appropriate, the council needs to be mindful of the increased management overhead involved in managing a plethora of relatively small partnership agreements.

The council has a number of improvement projects and opportunities i.e. agile working, customer service strategy, which appear not to be linked e.g. the agile working project doesn't have customer service representation on it. Additionally, service redesign to support the customer journey is occurring on an ad-hoc basis depending on the level of 'buy in' and capacity within individual services. Without understanding the customer journey end to end (front and back office) and ensuring the back office is redesigned, potential efficiencies and service improvements will not be realised and demand failure will continue to be an issue in the contact centre. The formalisation of Service Level Agreements for all services delivered in the customer contact centre and corporate reporting of failure demand may help improve ownership across the council. The peer team acknowledge that key personnel i.e. Change Programme Manager and Director of Revenues and Welfare Services, were not available to be interviewed during the on-site challenge.

Whilst a Programme Board has recently been set up to manage conflicting priorities and blockages across projects, this is not due to meet until June and it is not clear that the
appropriate skill sets are included within individual project teams. Reviewing the terms of reference for the specific projects, the project team make up and terms of reference for the Board may help refocus the projects and ensure efficiencies are maximised.

The ASPIRE programme is central to ensuring the necessary skills and knowledge are either grown organically or brought in through recruitment to support South Staffordshire’s future transformation journey.

5. Customer Service Strategy

The council has very high customer satisfaction levels, new investment in the CRM system, an increased customer services team and good use is made of customer insight data and profiling. A strategy championed by the Chief Executive has been approved together with a comprehensive and ambitious action plan. Customer focus is a key priority for the Chief Executive, and hence the organisation, but it is not completely bought into by all senior managers.

There was limited evidence of robust programme/project management to ensure the customer strategy action plan can be delivered alongside all other corporate priorities with the resources available. Staff expressed concern that the full end to end process and service re-design would not be possible without the investment in IT and Business Process Re-engineering expertise to help drive through the necessary changes.

Whilst we acknowledge the IT partnership recently agreed with Stratford District Council it is unclear whether this will resolve all of the issues.

The council recognises that, between the closedown of the TDP and the development of the new Council Plan, there will be no corporate efficiency targets, which is unusual given the current local government climate. The council take the view that efficiencies should be a ‘way of life’ and that targets at this stage would not be useful. However, setting targets might provide clarity and impetus for delivery of the project. The council seemed clear on its ambitions for customer service but there was no clear evidence that they had consulted on this. Other than sending out of timely SMS text reminders and Twitter messages to better manage customer demand, the council had not asked or informed customers about their needs or expectations for the future. Channel shift is not seen as a priority or as a source of efficiency. The customer strategy appears to reflect a traditional improvement plan rather than a transformation plan.

The current view of the customer appears limited. Until there is a more holistic understanding of the council’s customer base there will not be corporate buy in to the adoption of the principles of good customer service, as views will persist that ‘it doesn’t affect us’, hence it will not be embedded across the organisation. This in turn will require effective communication of the service offering.
The council’s aspiration to assess its performance purely on customer feedback whilst innovative has some inherent risks in terms of statistical validity, the ability to deliver what customers want as opposed to what they need and survey fatigue.

We were informed that longer term plans include developing a customer portal and mobile application solutions jointly with partners in Staffordshire Connects. This will help to drive self-service capability with customers and channel shift opportunities in order to release capacity across the organisation.

Suggestions for consideration

Based on what we saw, heard and read we suggest you consider the following key actions. These are things we think will help you to deliver your future ambitions and plans:

- Consider grouping the current 19 corporate priorities into a smaller number of overarching aims or themes that can easily be understood and communicated to staff and residents;
- Promote greater transparency of forward planning and encourage more constructive challenge across officers and members in terms of informing future strategic direction;
- Progress the constitution review with pace and consider a dedicated Planning Committee with reduced numbers;
- Develop a cohesive corporate programme to co-ordinate all current initiatives in order to provide reassurance that adequate resources can be allocated and projects prioritised – this will facilitate organisational resilience going forward;
- Review the terms of reference for all specific projects, composition of project teams in terms of appropriate skill sets and terms of reference for the Programme Board to help re-focus the projects and ensure efficiencies are maximised.

Next steps

You will undoubtedly wish to reflect on these findings and suggestions with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued support which you can access through the LGA Principal Adviser for the West Midlands Region, Howard Davis.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. Howard Davis, Principal Adviser (West Midlands Region) is the main contact between your authority and the Local Government Association. Howard can be contacted via email at howard.davis@local.gov.uk or by Telephone (07920 061197) and can provide access to further support.
All connected with the peer challenge would like to wish you every success going forward. Many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation. In particular, please pass on our thanks to Clodagh Peterson, Becky Harris and Vanessa Partridge for their sterling support in organising the challenge and the onsite visit.

Yours sincerely

[Signature]

Peter Rentell
Programme Manager, Local Government Support Team
Local Government Association

On behalf of the peer challenge team