Corporate Peer Challenge

South Ribble Borough Council

28-31 March 2017

Feedback Report
Executive Summary

South Ribble Borough Council are in a challenging place. The council is currently seeking to recover from a number of governance issues which continue to absorb a large amount of the council’s capacity and attention. The political Administration needs to step up to the mark and lead the council more coherently, effectively, visibly and take ownership of the improvement which needs to take place and to take the council forward positively.

Although considerable energy is being expended on addressing the specific improvements related to the governance issues, the council needs to move on from the troubled past. The council now needs to exhibit clear, strong and positive leadership.

This is a council which delivers many good services and has high resident satisfaction. Much of this is as a consequence of the strong operational performance of council staff – not the political leadership of the organisation. There is a need for clear leadership, starting with developing a strategic vision for the borough, so the council can tackle big issues like economic development, housing, leisure provision and the future use of its assets, within the context of a challenging future financial gap in its short-term budget.

The council urgently needs a robust financial implementation plan for the short to medium term. Clear priorities need to be identified and linked to a robust financial plan leading up to next year’s budget setting process. Currently the medium term financial strategy is founded on assumptions about strategic decisions which appear uncertain. There is a need to bring this financial strategy ‘alive’ by taking tough political decisions and underpinning those with concrete project plans. This cannot wait and the process needs to start immediately due to the need to consider options for future service delivery and develop the project plans.

The council has sought to address the specific issues associated with last year’s governance issues. It is implementing an improvement plan and is in the ‘recovery’ phase of the journey. The actions outlined in the plan have been addressed to date. However, there is a lack of ‘buy in’ and governance of the improvement journey by senior members. The pace of implementation is slow with many officers not feeling empowered.

Frontline staff have shown resilience and commitment to deliver good services. There is also potential and appetite from both senior and middle managers to drive the council forward. The council now needs to fill key senior management roles and strengthen statutory officer arrangements. As part of the council’s journey forward it needs to develop a culture built around pace, ambition and empowerment.

The scale of the challenge is manageable providing capacity is addressed but will require clear leadership, good planning and a strong sense of pace.
Recommendations

The key aspects of the team’s findings that we suggest would deliver the greatest benefit if the council were to focus on them are:

1. The political Administration needs to lead the council coherently, effectively, visibly and take ownership of the improvement to take the council forward positively.

2. Agree a clear vision for the borough which tackles its major strategic challenges and sets out a positive future picture for the place and clear priorities for the council.

3. Develop robust plans to bridge the financial gap in the council’s medium term financial plan, focused around firm project plans.

4. All political parties to seek to gain consensus on the council’s strategic issues to improve the political stability of the council.

5. Senior members to ensure strong standards of personal behaviour in order to provide stronger leadership of the council.

6. Progress the permanent appointment of the council’s chief executive and permanent appointment of the statutory officers, and design the organisation around the key priorities.

7. Senior members to lead the improvement journey the council has begun and demonstrate greater ownership of the Improvement Plan.

8. Establish an Improvement Reference Group to ensure appropriate pace and external challenge of the improvement agenda.
Summary of the peer challenge approach

The peer team

The team I would like to emphasise how much we enjoyed spending time in South Ribble working with you on the recent corporate peer challenge. The team very much appreciated the welcome we received and the positive way with which people engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered this peer challenge were:

- Alan Goodrum, LGA Associate (lead peer)
- Councillor Peter Fleming, Leader, Sevenoaks District Council (Conservative)
- Councillor Sharon Taylor, Leader, Stevenage Borough Council (Labour)
- Jon Bell, Head of HR, Legal and Performance, Portsmouth City Council
- Neil Shaw, Principal Adviser, Local Government Association

Scope and focus

You asked the peer team to explore the following three issues:

- Leadership and corporate governance
- Improvement journey
- Organisational capacity and culture

The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. There are a series of guiding questions for all corporate peer challenges which the process usually explores:

- Leadership of place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
- 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?
- 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?
- 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?
• 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 peer team explored the first two of these questions alongside the areas of focus selected by the council. The questions within the remaining three areas were explored as part of the areas of focus the council selected itself.

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 councils’ needs. They are designed to complement and add value to a council’s own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days on-site between 28 and 31 March 2017 (one day more than is usual for a borough council), during which they:

• Spoke to more than 110 people including council staff together with a number of councillors and external partners/agencies and stakeholders.

• Gathered information and views from meetings, additional research and reading.

• Collectively spent more than 150 hours to determine their findings – the equivalent of one person spending nearly 4 weeks at the authority.

This report provides a summary of the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit. 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.
Detailed feedback

Leadership of Place

1. South Ribble Borough Council has a strong track record of delivering many council services to a high standard. Residents’ satisfaction with council services and trust in the council is very high. The borough has recently been identified as the best place to live in the UK if you are in your 20s in a national survey. South Ribble is the borough with the second lowest crime rate in the county, educational attainment is good (marginally better than the national average), the health of local people of working age is relatively good and employment levels are higher than the national average. However, this overall positive picture does mask areas of deprivation in the more urban parts of the borough.

2. The council have recently developed a new short-term Corporate Plan, focused around four long-standing priorities. The council acknowledge that the actions to deliver the priorities are new and the Plan has been shaped for just one year and is not linked to prioritising the budget process.

3. The peer team considered how well the council is achieving outcomes for South Ribble within the context of the council’s major service areas. The council provides good ‘core’ council services and has delivered against its previous priorities as demonstrated below. However, the refreshed focus in the Corporate Plan for 2017-18 has only been agreed relatively recently and is short-term and as such, delivery is yet to be demonstrated.

4. The economy in the borough is growing. The employment rate in South Ribble is higher than the regional average. South Ribble is part of a City Deal area along with neighbouring Preston and Lancashire County Council. Two years into the City Deal around 2,000 new homes have been built and around 1,800 jobs have been created (across the two boroughs). Significant road infrastructure projects have also been given planning consent. The council has an agreed Local Plan and the Planning service is processing planning applications quickly (with 98% of minor applications and 90% of major applications being processed within timescale).

5. On ‘clean and green’ services the council is delivering some strong outcomes valued by the community. Now and in the past, the performance of core environmental services has been good. South Ribble has a number of flagship parks. There is a clear pride in keeping the physical environment and public realm clean and tidy. The council’s waste collection is provided by and external provider - FCC - and performance is good. 49.3% of waste is being recycled annually and this is the third highest of any borough council in the North West. The council are demonstrating good value for money on many environmental services. For example, on waste collection the council is amongst the best 20 borough/district councils nationally for spend per head of population.
6. The performance of the Revenues and Benefits service is one service area where performance is marginally poorer currently. It currently takes around 23 days to process new benefit claims, compared to an average across other borough councils nationally of 20 days.

7. Participation in leisure activities through the council’s facilities has increased generally in the last twelve months. This includes growth in some of the swimming programmes, gym membership, gymnastics and tennis. This is positive against the profile of an ageing series of leisure facilities in the borough. The current approach to providing leisure services across the borough is financially unsustainable in a time where the council’s revenue budget is being significantly reduced. It was beyond the scope of this peer challenge to examine the leisure service in-depth. However, the current financial subsidy for the outsourced provision of around £1m per annum is not financially sustainable. The peer team recognises that work has been undertaken in the past to review leisure provision. As a matter of urgency the council should consider the future provision of the leisure function, including exploring all options for the future operating model. A speedy but thorough and transparent refresh of the existing options appraisal should generate clear options to inform the 2018/19 budget process. But this work must start with urgency.

8. The council would benefit from further developing its longer-term strategic thinking overall and being clearer about its ambition for the borough. There is currently a lack of ambition, with some members and staff talking of a desire to ‘go back to the past’ (though they may mean striving for higher standards as they used to). Local government has changed in recent years and will continue to change. The council needs to define what kind of place it would like to see South Ribble become in the future. This vision needs to come from the council’s political leadership. In the past few years there has been a predominating focus on work around the City Deal. This work is well underway and being delivered. There are opportunities to be more ambitious and to shape the future of the borough and tell its own story more strongly.

9. The County Council is undergoing significant change due to reducing financial resources. Some of this is having a direct impact on South Ribble in 2017 (and beyond). This includes, for example, the closure of public libraries in Lostock Hall and Bamber Bridge and the remodelling of children’s social care, including the closure of some children’s centres. This is a good example of the need to ensure communities are resilient to changes in public services, either by reducing demand or exploring alternative ways of delivering services jointly with other public sector partners and voluntary organisations.

10. The council has five neighbourhood forums. These are used in different ways to engage local people, share information/networking and deliver small-scale local projects. It is timely for the council to reconsider the role/function of the forums. If the intention is for them to engage with residents and have more devolved power for local projects the forums need to be empowered and possibly a greater degree of funding devolved to give them greater ‘teeth’. If the intention is for them to better co-
ordinate existing activities/projects, the future of them operating as council-run forums should be fundamentally questioned.

11. The council has a long history of seeking more efficient ways of operating and has been able to deliver good outcomes in many service areas with a relatively lower level of overall funding. Looking to the future it is important to recognise that local government is changing radically. This will mean the council will have to think more ambitiously and embrace a different approach to local government and means of delivering services, explored in detail throughout this report.

Financial planning and viability

12. The council has agreed a revenue budget of £12.8m for 2017/18. In 2016/17 the council has a revised revenue budget of £14.3m. The budget over the next three years requires the delivery of £3m gross savings, including £888,000 in 2017/18. The council have managed the past years’ reduction in the revenue budget as the Government’s revenue support grant has reduced significantly. The reduction has been managed through a combination of annual underspend, not replacing vacant staffing posts and a number of smaller scale savings projects. This approach has had implications on the council’s key capacity in priority areas.

13. Looking forward, the council has projected it will have a gap in the revenue budget of £3.3m by 2019/20. This is a significant financial challenge for an organisation with the size of its current revenue budget. The medium term financial strategy (MTFS) is founded on a number of assumptions about strategic decisions which appear to the peer team to be uncertain. This includes:

- the introduction of green waste (which some senior members have indicated will not be introduced)
- a co-location project for better use of council buildings (which is still at the concept stage)
- a number of transformation projects (for which there are no project plans yet)
- a rise in council tax (against a long-history of aversion to council tax rises)
- proposals to share some services with other local authorities (which have been long in discussion but has not yet moved forward)

14. Although the council currently has £17.5m of reserves a large proportion of these are earmarked for future use. Around £13.2m are earmarked for contingencies and risks, but this will reduce to around £8.6m this coming financial year (and down to £7.6m during the time period of the medium term financial strategy). The council has been maintaining the size of its general reserve for a number of years around £4m. The council is proposing to use around £3.2m of its reserves to help fund this gap over the next three years but this is not financially sustainable. The council has also outlined a savings and income generation programme to help it bridge this gap by 2019/20. However, the council is carrying a significant financial risk and the
sustainability of the medium term financial strategy is at risk. The risk is founded on the ability of the council to deliver the programme of savings ensuring the proposals deliver the indicated level of saving for each project. These currently feel speculative as the larger savings proposals do not have a business case or project plan attached to them. There is a need for urgency in bringing forward concrete project plans with sound financial analysis to ensure the projects can be delivered within the timescale (and can deliver the proposed level of savings). The sooner these projects can deliver the quicker the council will be able to bridge the gap and the council should not delay.

15. There are opportunities for business rate growth on the horizon but there are also opportunities to meet the financial challenge by reshaping services, generating additional income (which the council has begun to look at). However, detailed plans for the income generation projects have not yet been developed and the council’s income generation plans are very modest. The council needs to grasp opportunities in areas where significant financial savings can be made with likely limited negative feedback from residents. For example, the decision to not proceed with a proposal to charge for green waste in recent months has left the council needing to progress more radical savings or income generation plans in the future. The council revisited this as part of the council’s medium term financial planning to bridge the savings gap and has agreed to introduce this in April 2018 but public statements from senior members since have indicated other options are being evaluated and this will not be introduced putting more pressure on other areas. To ensure implementation reflects well on the council sufficient lead in times need to be built in for operational planning.

16. The council have reviewed its asset base as part of planning its longer-term financial position. This has included proposals to make better use of existing buildings and possibly co-locating some of its buildings alongside other public sector agencies locally. These plans are still at the concept stage and if they are to make a meaningful contribution to the savings agenda, the council will need to grasp the nettle on better use of its assets as part of its on-going drive to be a leaner organisation and do it within months rather than years.

17. As outlined earlier, the council has made good progress on securing value for money in many of its services. The council is better than average on value for money compared to other borough councils nationally in a range of areas, including; spend on benefits administration, culture/sport, environmental services, economic development and planning. However, last year the council’s external auditor provided a ‘qualified’ opinion because of the governance issues.

18. In summary, there is a need to bring the medium term financial plan ‘alive’ over the next few months by bringing forward concrete project plans for the larger-scale savings projects. It will be important that the council does not defer or delay savings plans for the next couple of years. There is a need to make more specific plans to feed into next year’s budget cycle but the works needs to start now. A cross-party
budget working group would help all key members understanding of the budget challenges.

Leadership and corporate governance

19. The council currently has 29 Conservative, 18 Labour, 2 Liberal Democrat and 1 Independent members. The council’s Cabinet and ruling group need to act collectively and show clear consistent leadership. Given the challenges ahead it is important to ensure, where possible, a strong cross-party consensus on many of the bigger issues facing the council such as the future of leisure provision, plans for the use of council buildings, the budget challenge etc.

20. This is a council which does not currently exhibit clear, strong or positive collective leadership. Whilst the council delivers many good services and has high resident satisfaction much of this is as a consequence of the strong operational performance of council staff – not the political leadership of the organisation. The interim Chief Executive has helped to create a degree of stability within the council in the absence of strong political leadership and this has been welcomed by members and staff alike.

21. The lack of clear leadership leaves the council without a strategic vision or urgency in the need to tackle some of the big issues, such as the budget. The 2016 governance issues created or provided an opportunity for a surge of political instability from which the council has not yet fully recovered. Relationships between elected members is currently poor. Friction exists between the Conservative and Labour groups outside that which would be expected in the normal political process, and within the Conservative group. Unfortunately this is directly contributing to poorer staff morale and reputation with external partner agencies and portraying the council as a whole poorly in the media.

22. There is no sense of a clearly defined vision for the council which needs this to understand what kind of place South Ribble should be in the medium to longer-term and this will shape and inform the future direction and decisions of the council. Considerable energy is expended on these political tensions which could be more productively employed in shaping and leading an ambitious future for South Ribble. Local residents deserve and should expect better from their local councillors.

23. Scrutiny can play a useful role in ensuring robust accountability and transparency. Although the peer team did not explore the operation of scrutiny in depth it appears that its capacity is not being harnessed. In the past the Centre for Public Scrutiny acknowledged the good work of scrutiny within the council through the Good Scrutiny awards. Scrutiny could play a more prominent role in exploring bigger, more significant, issues in order to add more value. Scrutiny appears to be held in reasonable regard by most politicians from all parties. There is general goodwill across the council towards the scrutiny function and this may be one way of bringing members together across political boundaries to work collectively. Scrutiny is a practical way members can demonstrate a new approach to working together.
24. As the council moves on from the challenges of the licensing review in 2016 it may be helpful to consider the role of the Governance Committee. This committee currently appears to have a dual role operating as a more traditional function of an audit committee and addressing wider governance functions. If there is to be full and complete review of the constitution, standing orders etc as recommended it may be helpful to separate this function from the audit committee or set up a separate task group. The council can address some ‘quick wins’ to improve some of the management of governance by revising standing orders to improve the conduct and leadership of the council’s meetings.

25. The introduction of a new corporate risk register is an important part of the council having greater early warning of potential failures in service delivery, projects, financial management or governance. This is welcome and there is general acceptance that a stronger approach to risk was needed. However, having a risk register is just one part of this process. There now needs to be wider acceptance that managing strategic risks is the responsibility of leaders at different levels in the council and risks need to be more actively mitigated. The council recognises this and the challenge over the coming months will be for officers and members to take managing risk more seriously.

26. It appears that member engagement in monitoring and managing the significant risks for the authority has fallen away as the energy of the organisation was taken up with the licensing issue last year. This should be urgently reinstated with clear management information and RAG ratings. Members should be able to call for detailed reports on the risk(s) that are of concern.

27. Looking to the future, members could achieve more for their residents by setting aside their differences and avoid drawing officers into the political environment. All this can take place whilst not detracting from the robust and constructive challenge that opposition members should make in a democratically accountable organisation. The political groups may wish to consider some of the following to improve member relationships and enable the council to better grapple with major strategic challenges facing it:

- focused support aimed at building a stronger ‘team’ approach within the Cabinet (this may include support from the LGAs top team development support offer)
- ensure regular structured briefings for all the political parties
- set out a clear programme for the member ‘learning hours’ to cover the core issues facing the council e.g. financial management
- explore setting up more cross-party task and finish groups with clearly defined outcomes and agendas, to cover large challenging issues to gain more cross-party consensus
- support the scrutiny function in exploring more strategic issues in-depth
- undertake a baseline members survey to cover issues such as support, training, and priorities
28. The council has started the process to recruit a new permanent Chief Executive. The biggest managerial leadership challenge for the council will be to appoint an effective permanent Chief Executive and for them to be given the resources to ensure they have sufficient senior management capacity to deliver members future vision for the borough. The peer team fully support the council’s desire to secure an experienced full time Chief Executive. The council not only needs robust permanent appointments for the council’s three statutory officer roles but also ensure the overall shape of the organisation reflects the key priorities and risks. For strong corporate governance to exist the statutory role holders need to be able to exercise their role with confidence and the support of the wider leadership.

29. The council is involved in collaborative working through the Shadow Lancashire Combined Authority which began working in the summer of 2016. Over the coming months it will be important for the council to work with partner agencies to get a better understanding of what closer collaborative working across and within Lancashire might offer for South Ribble.

Improvement journey

30. Following the issues associated with the governance problems in Spring/Summer 2016 the council developed an improvement plan to draw together actions in 17 areas to take a co-ordinated approach to driving a turnaround in the immediate and underlying issues. The council is still in the ‘recovery’ phase of its improvement journey.

31. The plan was formally agreed by members in December 2016, although the council had been keen to address the key immediate issues in the wake of the governance issues. This included:

- bringing in additional capacity to review and then support the licensing function
- undertaking an investigation into the licensing issues led by the Scrutiny Committee
- seeking external capacity to strengthen corporate governance and improvement
- commissioning the Centre for Public Scrutiny to undertake a diagnostic into the political leadership issues

32. The council can point to a number of successes against core parts of the improvement plan in its first three/four months. These include:

- reporting the safeguarding self-assessment to Scrutiny Committee and Cabinet for the first time (providing elected members and members of the public with information and assurance on the council’s key responsibilities and actions taken in terms of child safeguarding)
- completion of the resident’s survey (providing a better understanding of the impact on trust in the council and its reputation)
- refresh of the corporate plan (providing a shorter-term steer on council priorities)
• completion of the short-term actions in the licensing action plan (providing confirmation that additional officer capacity has been put in place and a quality assurance check on existing taxi licenses)
• commencement of the chief executive recruitment process (providing assurance of the timely commencement of the process to secure a key senior management post)
• completion of the employee survey (providing a better understanding of the impact on staff)

Overall, the delivery of the actions in the improvement plan are on track to the end of March 2017. These all evidence the view that the council has green shoots in its improvement journey, but that the recovery is fragile and could be knocked off course by issues like staff morale, external adverse comment or member behaviour.

33. A key part of the improvement plan, from a resident’s perspective, is the work around ensuring the robustness of the council’s taxi licensing function. Progress on this has been independently tracked by a senior local government figure with in-depth experience of taxi licensing. Their March 2017 update indicated good progress had been made on the adoption of a new licensing policy, training for licensing committee members and a more robust approach to dealing with applicants with convictions. Further work has still to be completed. This is clearly planned but members need to remain close to the issues to assure themselves that improvement has been delivered and is being sustained. Members need to reassure themselves that they have adequate information systems and processes in place to ensure that they can diagnose future emerging service issues in time for early intervention to take place.

34. The council recognises the need to strengthen the fundamental building blocks of strong governance, including; improving decision-making, core capacity, positive organisational culture/behaviours, a robust approach to managing strategic risk and a sound governance structure which is fit for purpose. Progress on these issues overall is moving in the right direction but is being slowed by:

• a lack of willingness by some senior members to take ownership of the improvement agenda and, in some cases, to even acknowledge the council needs to change
• the council’s unwillingness to address strategic challenges facing the council and to focus largely on shorter-term operational issues (with the exception of the work around the City Deal)
• the relatively slow pace of implementation (partly by officers not systematically feeling empowered to take more operational decisions to quicken the pace of change)
• the energy of the organisation being drained in dealing with issues from the past largely triggered by members, which means the council is often looking in on itself rather than shaping the future for the borough and its residents
35. The council recognises the need for an improved approach to performance management. This is as much a culture point as the introduction of a system (which is also needed). This needs to be done on a corporate basis and linked to the present corporate plan reporting and reinvigorated system on risks. The shared service performance management arrangements provide an example of how to do this on a service basis, but the issue needs to be addressed corporately.

36. Overall, there is a need for tighter governance and ownership of the improvement agenda (and the plan which underpins this). Senior members need to own the actions, constructively challenge officers on delivery and provide a political steer on its implementation. Much of the management of the improvement plan has been left to SMT and Cabinet need to play a more prominent role in governing the process and the delivery of the plan. This will ensure members are able to steer the process, collectively explore barriers and ensure sufficient pace of implementation. The peer team would recommend the establishment of an Improvement Reference Group to provide this tighter structure. The council may wish to consider the value of having this Group independently chaired to provide strong external advice and guidance. We recommend the Group includes key members from different political groups, senior officers and possibly a frontline staff representative.

Organisational capacity and culture

37. The council has itself identified a number of capacity gaps in key service areas. Key gaps include:

- Planning – the demands on planning are significant based on the number of large-scale housing and commercial developments means the council needs to anticipate the demand on the service. Further opportunities will arise through the City Deal approach and the council needs to review how it will have sufficient capacity in this area – either through their own provision or in collaboration with another local authority.

- HR - this service has a key role to play in leading the workforce development and culture change that the council needs. The Organisational Development strategy is a positive step but HRs role in progressing this needs capacity and leadership. The long term absence of the existing Head of HR has left a significant gap that the council needs to address as a matter of urgency.

- Democratic services - a recent review has identified a lack of resilience in this area (especially with regard to elections). It has also been mentioned that Democratic services' relationship with members is not close enough, with Democratic services being seen more in an administrative rather than an advisory role. For example, support to scrutiny (which was highly praised) is located elsewhere, as is member development. Democratic services has a key role in gate-keeping the officer/member relationship, and consideration should be given to strengthening this.
- Commercial skills - the council acknowledges the need to develop a more commercial approach in order to create new income streams and mitigate funding reductions. However, we have seen little evidence of investment in the skills and capacity necessary to pursue this agenda. For example, the shared service teams with Chorley could provide opportunities to sell services to other councils, but there appears to be no capacity to market the service. Skills for property investment are in short supply and the council needs a plan for developing or procuring these skills.

38. It was noted that the Licensing issue had the effect of diverting resources from some areas (e.g. Legal, HR) away from core business, making it difficult to get "business as usual" projects competed or issues resolved.

39. The council acknowledges that the senior team will need to be redesigned and strengthened following the arrival of a new chief executive - the recruitment of which is key to the council's improvement journey. There is a significant risk in the meantime around the capacity and experience of the three statutory officers. The departures and absence of senior managers has greatly reduced the capacity of SMT. Although the interim managers are highly respected personally, it is acknowledged that the interim nature of the appointments creates uncertainty and risk. There is a perception in some quarters that SMT is not unified, and that poor member behaviours are often used as a rationale for SMTs lack of effectiveness or inability to manage the member interface better.

40. The council are behind the curve in terms of the digital agenda. Whilst some services are web enabled through the council website this is limited. There are opportunities to use channel shift to move more service users across to online and this will also help to free up some capacity at the frontline. There is currently limited ability for staff to work with greater mobility out of the office which would improve the speed of processes like planning, enforcement and environmental health (as well as improving the efficiency of services). The council should explore all options to improve the drive to digital. Much can be learned from authorities who are further progressed on this journey like Wigan (although a bigger local authority useful learning can be gained from their experience), to drive better efficiency and greater channel shift.

41. South Ribble is perceived by partner agencies as a somewhat un-dynamic and risk-averse partner to work with, with a low level of ambition and limited capacity to drive change through partnerships. There is a perception that the council "rides on the coat-tails" of other partners. The council's approach over the last twelve months has shaken the confidence of some external partners. The council appears to them as very inward looking, concentrating on its own services. The shared service arrangements with Chorley have delivered significant savings, but the level of ambition and pace of change needs to be increased if the partnership is to be extended to other service areas and the council now needs to be more outward looking.

42. There is little evidence that the council has the capacity, ambition or risk appetite to undertake truly transformational change. The Improvement Plan is a positive step, but is focussed mainly on "building blocks" rather than transformation, and in any case has limited ownership amongst members and across the wider organisation.
The shared service partnership with Chorley has delivered savings, but these have been limited by a lack of progress towards unified processes. The council has limited experience of transformation and a history of larger projects slipping in timescale. A transformation strategy and programme are needed to pull this together. Complementing this the new Organisational Development Strategy would improve organisational capacity and should be agreed and implemented as a priority.

A staff survey undertaken in December 2016 was damning. It demonstrated very low levels of trust in the council and staff morale at an all-time low. The main issues identified in the survey appear to be improving, but not fully resolved, and progress is described as fragile. The interim chief executive has been instrumental in this improvement, but this creates a significant risk because the appointment is interim. Progress has been made in improving communication. The impact of member behaviours (and to some extent divisions within SMT) are still a cause for low morale. Poor behaviour by some members is still felt to be an issue, although it appears to relate to a relatively small number of members.

The culture of the council has been consistently described as "friendly", "supportive" and "family", and this was evidenced in meetings with staff and managers. Whilst this is positive in terms of staff feeling supported and safe, it can also contribute to perceived lack of energy, pace and ambition. Consideration should be given to developing a culture rooted more in innovation, transformation and delivery, with a greater degree of empowerment to managers and staff. There appears to be a reluctance for managers to simply get on with what needs doing, with a preference for commissioning "reviews" or seeking member approval where none is needed (resulting in inaction or delays). There is also a perception that new layers of governance and bureaucracy (driven by the improvement plan) have slowed the pace even further. Managers at all levels need to seize the opportunity to make the organisational values a reality.

Moving forward

The scale of the challenge is manageable providing capacity issues are addressed. It is important to reiterate that the peer challenge is improvement-focussed and it is for the council to determine how it will respond to the findings of the peer team. However, to provide a clear sense of the likely actions needed over the coming months, the peer team have identified the following broad milestones:

Over the next three months

- Members to lead the development of clear crisp vision for South Ribble
- Financial implementation plan – bring forward concrete plans now
- Facilitated support on member behaviour – members to demonstrate visible change
- Establish the Improvement Reference Group – for pace and constructive challenge
- Communicate these ‘wins’ to staff and partners to demonstrate progression
Over the next six months

- Recruitment of the new Chief Executive and permanent filling of the statutory officer roles
- New organisational structure to deliver the corporate priorities
- The council is ready to go out to consultation on major budget proposals
- Develop a robust 3-5 year medium term financial strategy
- Embed actions on improving staff survey issues

By 12 months’ time

- Governance is working better
- Staff morale has made measurable improvement
- Partner agencies recognise the improvement
- Improvement Reference Group can stand down once the changes are embedded

Finally, we would like to thank colleagues and members at South Ribble, especially Joanne Platt, for their support in the lead up to the peer challenge and during the challenge itself.

Further on-going support is available through the Local Government Association’s Principal Adviser, Gill Taylor (email: gill.taylor@local.gov.uk, tel: 07789 512173). Neil will liaise with the authority in the coming months to explore specific issues the council may wish to be supported on.

Report contact

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