

Corporate Peer Challenge – Six Month Progress Review

South Ribble Borough Council

5 - 6 April 2022



1.0 Executive summary:

South Ribble Borough Council's (SRBC) Corporate Peer Challenge in July 2021 highlighted the progress and improvements that have been made in recent years, most notably addressing historic governance issues. Through this six-month progress review, the peer team were pleased to see that this work has been further embedded at the Council and recognise the continuing improvements that are taking place.

This progress review was completed on-site with the Council and has confirmed the original findings and recommendations that were developed through the team's previous online engagement. However, the physical time with the Council, and opportunity to visit the borough, has provided the peer team a much greater depth of insight into SRBC's relationships with local communities. This was powerfully illustrated through the examples presented at the "community thank you event", which was held to recognise the contribution of residents in responding to the COVID-19 pandemic. The Council's approach to community engagement and development was also well demonstrated through the number and diversity of examples provided through representatives of local Community Hubs. This work, and these relationships, is something which the Council is rightly proud of.

The Council illustrated a clear response to the findings of their CPC through the development of a robust action plan with regular reporting, and presented an overview of their progress since July 2021. This included demonstrable examples, such as the approval of a refreshed Corporate Plan, revisions to the Council's Treasury Management Strategy, and an improved financial position reported through the Medium-Term Financial Strategy. This positive response of the Council has contributed to several fundamental improvements across governance, performance improvement and people management, which is a continuation of the Council's progress in recent years.

Whilst these achievements are positive, it is to be expected, given the relatively short period of time since the CPC, that many of the issues and recommendations previously highlighted are still relevant. This includes the need for further consideration and structure regarding future stages of shared services, as well as the natural capacity challenges that are created by the ambitions of the authority, and the continued need for prioritisation. It is a positive that the Council recognises that this work is ongoing, and is continuing to invest corporate capacity and effort into improvement.

Since the original CPC, there have been several developments in the Council's operating context. This includes confirmation that a new Chief Executive will be working across both SRBC and neighbouring Chorley Council from January 2023, following the retirement of the current shared role. The Council has also received further external validation for their progress, including an unqualified value for money opinion from external auditors.

2.0 Background:

The six-month progress review is an essential part of the LGA Corporate Peer Challenge (CPC) process. These reviews are designed to take place approximately six months from the Council's publication of their original CPC report and supporting action plan. These reviews provide opportunity for the peer team to give feedback on the early progress made by the Council against recommendations and act as a sounding board for any potential next steps.

Typically, these reviews are conducted online, building on the understanding that the Peer Team have developed through their substantive on-site engagement. However, in this instance, the Peer Team had been required to complete the original fieldwork online due to rising COVID-19 rates, and Government guidance to minimise travel to Lancashire in July 2021. In this context, the Team agreed to complete the CPC virtually ahead of a physical six-month review.

The Council deserves recognition for their flexibility in supporting this alternative approach, as it demonstrates their willingness to engage with external support to facilitate improvement. It is hoped that this review will be the next step in an ongoing and open relationship between SRBC with LGA sector support. This will build on the enthusiasm that the Council has shown to access feedback, support, and challenge.

The July 2021 Peer Challenge was able to observe the clear improvements that South Ribble was making in response to significant challenges. This has continued with the Council developing a clear action plan in response to team's recommendations and being able to set out their progress. Furthermore, this review was also able to better consider issues of organisational development and community engagement through the team's physical presence which was not possible previously. A copy of the original CPC Report and the Council's action plan can be found in the following link, and should be read in conjunction with this note: <https://www.southribble.gov.uk/article/2061/Peer-Review-2021> .

The Council also produced a short position statement of progress, which was helpful to the team, and which should also be published alongside this report.

3.0 Peer team, scope, and context:

For this six-month progress review, all members of the original CPC provided their time to support the process on-site. The LGA are grateful for their continued support for sector-led-improvement:

- Arthur Charvonia: Chief Executive (Babergh and Mid Suffolk District Councils).
- Cllr Peter Fleming: Leader (Sevenoaks District Council).
- Cllr Bryony Rudkin: Deputy Leader (Ipswich Borough Council).
- Emma Foy: Section 151 Officer (Hart District Council).
- Kevin Powell: Executive Director (Broxtowe Borough Council).
- Matt Dodd: Peer Challenge Manager (Local Government Association).

A scope for this work was agreed with the SRBC ahead of this progress review. As the team's previous work had been completed online, it was agreed that this work would place a greater emphasis on issues which are better experienced physically rather than online, specifically: community engagement and organisational development. With this in mind, there were three key strands to this work: validating online findings, considering progress to-date, and highlighting key issues for the future.

To support this review, the Council and LGA developed a timetable which included one-to-one interviews with political group leaders and senior officers. This timetable also included focus groups with staff working in governance functions and shared services. Finally, the team's time on-site allowed for a '*speed dating*' review with representatives from across the Council's five Community Hubs, as well as attending local community events. These final elements were particularly valuable in supporting the team's understanding.

The July 2021 CPC made a series of recommendations to support the Council's ongoing improvement journey, which are clustered under the following themes in this report:

- Organisational development, culture, and community engagement.
- Governance, finance, and internal controls.

- Political engagement, prioritisation, and major programmes.

Whilst this six-month review focuses on the progress made against the council's action plan, it also allows consideration of any changes in the Council's operating environment over this period. This can often mean new opportunities or challenges, or wider changes in context since the team were last onsite. As part of this review the Council provided further information on this context, most notably including:

- We can see that the Council has made progress against their action plan, and recognise the changes introduced over the past six months. This has been demonstrated through progress against recommendations, but also through the unqualified value for money opinion which the Council has received from external auditors. This is a significant step forward from the previous issues which they have faced.
- The Council has continued with the implementation of shared services with the neighbouring authority of Chorley Council. This has most recently included the ICT and customer services across both Councils.
- In the Spring of 2022, the shared Chief Executive working across both SRBC and CDC announced that they would be standing down from the role in December 2022. It has since been confirmed that the current Deputy Chief Executive will be taking up this position.
- The Councils across Lancashire have set out a shared position on a potential devolution deal for the area. This has involved all local Councils signing up to shared principles which they would work to, should they secure greater control over £5.6bn funding. These discussions do not currently include the prospect of an elected Mayor for the region.
- The conclusion of a historic employment tribunal, which will enable the Council to continue to move forward and require less capacity to be directed towards legacy issues.
- The model of Community Hubs which was presented to the Team in July 2021 has been further refined. This has included the Council conducting a thorough review of their work which was presented to Cabinet in December 2021 and has supported the allocation of resources through towards community priorities.

4.0 Organisational development, culture, and community engagement:

Under this theme, consideration was given to activity against the following recommendations which were made as part of the original onsite work:

- **Community Hubs:** SRBC have developed a community led approach to resident engagement through their Community Hubs. This model has real potential to reshape the Council's dialogue and relationship with its residents. This approach also has the potential to support improved engagement with residents, and SRBC should consider the impact of Community Hubs on their wider methods and channels of engagement. These issues should be included in the review of Community Hubs in the Autumn of 2021 to ensure that this opportunity is not treated in isolation and is instead considered alongside the wider impact on the Council's relationship with residents and all the Council's work. These community hubs provide a new opportunity for the Council to raise the profile of their wider services with residents.
- **Organisational development and HR practice:** The Councillors and Officers of SRBC have worked extremely hard to support residents throughout the Coronavirus pandemic and political and managerial leaders are rightly proud of these achievements. As the country moves through the national roadmap to ease restrictions, SRBC should consider how these achievements are recognised, managing the wider workforce in returning to the workplace, and introductions for those who may have joined the Council during this period. There is also a need for more standardized practice to HR across council directorates.

This onsite six-month review enabled the team to better understand the depth and breadth of the SRBC's relationship with residents beyond our previous online work. Central to this, are the Council's five Community Hubs which was presented to the team as emerging practice in July 2022. The team were pleased to hear the first-hand examples provided from Hub representatives about the work that they have delivered. This has included community conversations to address social isolation, physical investment in neighbourhoods, inter-generational activities through shared interests such as angling and gardening, and a new method of engagement and consultation. Beyond the practical benefits that these hubs will

have brought to residents, the team was pleased that this work has been underpinned through a thorough review of this model which was presented to Cabinet in December 2021.

This review, alongside the practical examples presented, has provided the necessary evidence base to support further investment into this approach and the continuation of the current model. The Council is taking this forward through another round of ‘*boost funding*’, providing a clear process and rationale to support further investment through these Hubs. The team were struck by the cross-party buy-in which exists for this approach and recognise that this has supported cross-party work to focus on delivery at a community level. This exciting model will present further opportunities, including the potential to engage wider public sector partners in this work.

The peer team appreciate that SRBC organised a staff thank you event in October 2021 which recognised the contributions of the workforce throughout the coronavirus pandemic. The team also attended the event, which was organised for local community groups, and recognise the value in this approach in building on the joint work completed in responding to the pandemic. Beyond the staff event, the Council has also introduced a ‘*Passport to People Management*’ programme, which includes a range of training and development opportunities to support staff progression. This scheme was launched in January 2022 and will support increased consistency across human resource practices as previously highlighted as an issue through the CPC.

The Council has also taken the decision to conduct ongoing staff surveys to support dialogue and improvement with their workforce. The most recent survey illustrated comparatively low scores for SRBC respondents with only 58% responding positively with their views of the Council, and 45% with their views of the Council’s Senior Leadership Team. Whilst these results are not positive and illustrate some of the live issues which exist regarding shared services, the Council does deserve praise for the commitment to completing this work and their pro-active response to the findings to date. This includes a commitment to edit and amend their People Strategy considering the findings.

The Peer Team would encourage the Council’s Organisational Development to focus on internal communication and adopt the principle that “*you can’t communicate too much*”. This is especially important in the context of shared services and should be accompanied through increased visibility of core corporate services to provide a framework and support to staff as they work through these issues. The team appreciate that there has been progress made in

this regard, with the second phase of shared services implementation (ICT and Customer Services) including greater communication than previous phases. However, it is important that this communication plan is not just on the planned benefits of shared services, but also addresses the practical issues associated with integration, including the day-to-day impact that it will have on specific roles.

5.0 Governance, finance, and internal controls:

Under this theme, consideration was given to activity against the following recommendations which were made as part of the original onsite work:

- **Embed a culture of good governance:** SRBC need to build on their momentum and progress regarding governance. This includes ensuring that their existing reforms have embedded within the organisation’s processes, practice, and culture, as well as considering further areas that may not currently be within the scope of the Council’s existing action plan.
- **Medium Term Financial Strategy:** The Council has managed their finances well in responding to the immediate issues of COVID 19. However, the Council’s current MTFS contains a rising budget gap through to 2024, and further work is required to assure proposals already contained and develop further policy options for future years.
- **Assurance on capital programme delivery:** The Council plans to significantly increase their capital delivery programme over the next four years. However, this is a largely borrowing funded programme and the minimum revenue provision of these plans should be built into the Medium-Term Financial Strategy. Further research should also take place on capital funding for this programme as borrowing from PWLB is more difficult than it has been in the past and cannot be used for any form of financial yield.

Importantly, the progress which the peer team felt that the Council was making on these issues has been further validated by external auditors providing an ‘*unqualified*’ value for money opinion. This represents significant progress for the Council, especially in the light of the previous findings and recommendations. The Council developed a clear action plan in response to these issues and has continued to make progress on them.

Beyond this action plan, the Council has shown commitment to embedding this culture, including rolling out mandatory training to all staff on issues of preventing fraud, whistleblowing, and risk, with an enhanced training requirement for managers on issues of ethical governance. The Council has also established a Corporate Governance Group to monitor progress on these issues and provide clear channels and leadership to the issue. The Council has a clear plan for the next steps which it is taking to further support this work, including a review of the Council's Code of Conduct through a Member's Working Group, and brokering of external support to review the Council's constitution. The Peer Team would encourage the Council to consider how these structures can improve practice in other areas (e.g., information governance). This would include ensuring that the Senior Information Risk Owner (SIRO) uses these forums to support improved practice and approaches to issues of information.

The Council's previous Medium Term Financial Strategy included a forecast cumulative gross deficit of £1.9 million for 2022-2023, rising to £3.2 million for 2023-2024. Since the team were last with the Council, the Council has approved a balanced budget for 2022-2023. The budget was accompanied by an updated MTFS which includes a net deficit of £740,000. The Council is planning to take their Transformation Programme to Cabinet in June which will contain further information regarding the delivery of efficiency savings and income generation to address this residual gap. As with all Councils, it is essential that there is clear and timely budget reporting to support well-informed financial decision making.

Finally, the peer team were pleased to note that the Council is developing a standardised business case process for capital investment (aligned to the revised CIPFA prudential code). The Council has also revised their minimum revenue position to clear their pre-2008 debt in the Treasury Strategy of their new budget, with the remaining post 2008-debt being spread across the life of their whole asset base.

6.0 Political engagement, prioritisation, and major programmes:

Under this theme, consideration was given to activity against the following recommendations which were made as part of the original onsite work:

- **Political engagement in a balanced authority:** The finely balanced politics of SRBC

places further emphasis on the need for effective cross-party working relations. Given the challenges ahead it is important to ensure, where possible, a strong cross-party consensus on many of the priority and long-term issues that are facing the borough. This should include consideration of the contribution that Scrutiny can make to provide constructive challenge on issues and building on the sharing of information across political groups that has been developed during the COVID pandemic.

- **Provide full clarity on the ambition and plans for shared services:** One of the strongest themes to emerge during this peer review was the shared services arrangement with Chorley Council. It is the view of the peer team that the Council needs to be clearer on the over-arching vision, aims and timescales relating to shared services including the processes that will be used to achieve these. This presents the opportunity to build on the progress that SRBC have made on shared services to-date and generate further staff support for future phases. This issue was also highlighted in the LGA revisit to SRBC following their 2017 Corporate Peer Challenge.
- **Programme Plan for future work and political priorities:** There are several key priorities that exist at SRBC simultaneously. This includes a corporate commitment to governance improvements, an ambitious capital programme, COVID-19 recovery proposals, and future ambitions for shared services. Whilst this ambition is laudable, there is a need for the Council to carefully programme manage interdependencies and ensure that there is appropriate corporate capacity to deliver this breadth and depth of work.

The political make-up of the Council is unchanged since the Peer Challenge, being under no-overall control, with 23 Labour Councillors, 22 Conservatives, five Liberal Democrats and one vacant seat. The Council is led by a Labour administration which has a confidence and supply arrangement with the Liberal Democrat Group on an issue-by-issue basis. The Council has responded to the recommendations of the July CPC by holding regular all-party Leader meetings to support cross-group understanding on key issues. The Peer Team would recommend continued time, effort and space is made for these conversations to support understanding and appropriate political challenge on emerging issues. The Council has also recently undertaken a review of their Scrutiny Functions with external support provided by the Centre for Governance and Scrutiny. This engagement will be essential, especially in the context of all-out elections in May 2023.

A recurring theme of both the original Corporate Peer Challenge and progress review was the issue of shared services with neighbouring CDC. The peer team heard through the July CPC the perception of a “*Chorley takeover*”, which reflected that many of the senior roles within the shared management structure had been given to CDC Officers. This was still a live issue during the progress review and was further illustrated by the Council’s staff survey results. The staff survey results also highlighted clear frustrations with ICT, with only 48% of South Ribble staff (and 60% of shared services staff) saying they have the right equipment for their job and identifying training needs for staff to support their use of existing ICT systems. In this context, it is important for the Council to continue to communicate with staff working in shared arrangements, and to ensure that any lessons are captured and used for future phases of the programme.

The Council has made some progress against the recommendation regarding the required clarity for shared services, engaging the Leadership of both councils on their future. This was followed by a public paper in February 2022. The Peer Team would continue to recommend that the more clarity that can be given to these decisions at the earliest instance will support informed decision making, implementation and staff buy-in. Central to this recommendation, is providing clarity over important first principles such as sovereignty and the desired end-goal for services. This articulation of these issues, and their inclusion in regular communications will provide a clear framework to support staff understanding and political engagement on any future decisions.

The peer team appreciate that the Council has passed a refreshed 2022 Corporate Strategy. This refresh involves continuity of long-term priorities and outcomes, but incorporates new projects, measures and milestones which will move the organisation towards this. This refresh will provide further clarity of long-term vision and will support continued alignment with the Council’s revised MTFs. Importantly, the updated performance management framework, which will help to provide clear overview of progress against the plan and will support ongoing political engagement on these issues. The content of this plan has been helped through clear business planning for 2022-2023 which will support services to align their activity and resources with this vision. There has also been additional capacity provided to the organisation through the re-introduction of ‘*head of service*’ roles as a third tier which should support in this regard.

Finally, the peer team recognise that this Strategy refresh will support prioritisation of

activities and the alignment of resources. However, the team also remind the Council that this should include elements of de-prioritisation. The team recognise the breadth of issues included in the refreshed corporate strategy will perpetuate the challenge that was heard through the original CPC that *'everything is a priority now'*. The team encourage the Council to use this strategy to provide further clarity on what they are not going to do, or what they will do at a later stage, and to remain cognisant of this challenge.


7.0 Summary and next steps

In the time since the peer team completed the online Peer Challenge with South Ribble in July 2021, it is recognised that the Council have set out a comprehensive response to the recommendations made. Whilst six-month progress reviews are not about testing whether these recommendations have been delivered in full, it is clear that much has been progressed. To date there has been a purposeful and comprehensive response, and there is an organisational awareness of what is required next.

However, capacity is finite and given the scale of ambition and pace of change this will remain a challenge. Historically, the Council has often taken an 'opportunistic' approach responding to the chances which emerge and changes in context. Whilst this remains an issue, in-light of the ambition of the Council, and the delivery of the 2022 Corporate Plan, it is of increasing importance to continue to follow the roadmap recently set-out, ensuring that they are aligning resources to achieving their vision.

Whilst it is the intention of this six-month review to consider progress against existing recommendations rather than providing new guidance, the team would encourage the Council to reflect on the following:

- What future work is needed to maximize the benefits of shared services. The Council already recognises the importance of this topic and has set out a framework for this work but more time is required to continue to think through these issues.
- It is appreciated that the Council is looking to introduce more capacity at a Head of Service level, but there is a need to ensure that there is appropriate training and support for this new tier. The Council is already mindful of this, and have plans in-place to support.
- You need to continue to provide programme planning, robust budget monitoring and cost

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- reporting on the delivery of shared services savings and wider transformation benefits.
- We would encourage the Council to put more attention on your SIRO (Information Governance) and cyber security challenges especially in the current context.
 - You need to consider the transition towards a new Chief Executive and managing this process to ensure a smooth transition.
 - There could be potential benefits to local political groups considering the ‘Be a Councillor’ programme in the context of all out elections in 2023.
 - Introduce mandatory cyber security training for all employees (and potentially Councillors), recognising that 60% of breaches are caused by human error or internal errors. This could be accompanied by an exercise to assess the current maturity of the organisation on issues of Information Governance, potentially through a SIRO audit structure.

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings. To support transparency, the council is advised to publish this note.

Helen Murray is the LGA’s Interim Principal Adviser for the North West and Matt Dodd is the Council’s lead contact at the LGA. Matt is available to discuss any further support the council requires following this progress review – Matthew.Dodd@Local.gov.uk