



Heather McManus
Chief Executive
South Ribble Borough Council
Civic Centre
West Paddock
Leyland;
PR25 1DH

16 March 2018

Dear Heather,

Re: LGA Corporate Peer Challenge follow up visit to South Ribble Borough Council

As part of the original LGA Corporate Peer Challenge (CPC) in March 2017, South Ribble Borough Council (SRBC) asked the peer team to make a follow up visit approximately 12 months later to help review and assess progress in response to the peer challenge feedback and recommendations.

The peers used their experience and knowledge of local government to reflect on the information presented to them by people they met and material that they had read before and at the time of their visit to SRBC on 31st January to 1st of February 2018.

Process and peer team

Peer challenge is one of the key tools to support sector-led improvement. It is tailored to meet individual councils' needs, and designed to complement and add value to a council's own performance and improvement focus. The peer team provide feedback as critical friends, not as assessors, consultants or inspectors.

The following members of the original peer team participated in the follow up visit:

- Alan Goodrum - LGA Associate (Lead peer)
- Cllr Peter Fleming - Leader, Sevenoaks District Council (Conservative)
- Sharon Taylor - Leader, Stevenage Borough Council (Labour)

Claire Hogan, LGA Principal Adviser, North West, was the Peer Challenge Manager for the follow up visit.

In March 2017, the LGA peer team made a number of recommendations to help the council to address its main challenges. (The recommendations made at that time can be found at Appendix A). This feedback letter reflects on progress made in implementing the recommendations almost one year later.

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To inform our work the peer team spent 2 days on site at SRBC, during which time we spoke to: Elected members from across political parties, senior managers and officers from across the council, trade union representatives, strategic partners and members of the Improvement Reference Group.

We would like to thank you for inviting us back to provide further challenge to the council. We hope that our feedback helps to support continuous improvement at SRBC.

Summary of findings and observations

Overall SRBC has made some progress in taking forward a number of the recommendations that the peer review team made in 2017; including the establishment of an Improvement Reference Group, the recruitment of a new Chief Executive and a new organisational structure, albeit that implementation of this is still in the early stages. Crucially, resident satisfaction and trust in the council remains high and South Ribble continues to be a good place to live with good core council services.

There was some evidence that political leadership was improving for example, in developing the vision and corporate plan and improved governance processes. There has been considerable member engagement in developing a new vision and Corporate Plan for the borough and this is well supported across the council. Importantly, the council is now perceived by a number of partners as beginning to be more 'outward focused' which is crucial if ambitions for wider economic growth are to be achieved.

However, despite some progress, a number of areas still require attention. Overall the pace of change remains too slow and further progress is clearly being hampered by the lack of permanent senior capacity. Ongoing political issues are still causing some distraction and are delaying the improvement journey. There is a need to further develop the medium term financial strategy to take account of key strategic risks and the team also felt that the added capacity and benefits of having an Improvement Reference Group (IRG) are not being utilised as effectively as they might.

The feedback (below) provides further detail on the findings from the peer review team and makes a number of suggestions and recommendations for consideration by the council.

Leadership and corporate governance

The political leadership of the council has improved since the initial CPC with steps taken by the administration to take ownership of improvement. Members have developed a clear strategic vision and a new corporate plan which sets out major strategic challenges, a positive picture for the place and clear priorities for the council.

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A member survey was conducted (September 2017) the findings from which are currently being addressed. Progress was also evident in a number of areas including both scrutiny and licensing and positive steps have been taken to improve governance arrangements; with the review of the constitution and the development of a new officer member protocol. However it will be important to ensure that the protocol is implemented and that a robust process is in place to monitor its impact. The council must be clear about its approach to transparent public reporting and provide greater clarity on where monitoring reports are taken and how issues raised are addressed.

As the council moves forward with its improvement and transformation, it should consider again the recommendation made in the initial CPC report to review the role of the governance committee. The team felt strongly that the committee still appears to have a dual role operating as a traditional audit committee whilst also addressing wider governance issues. As part of the ongoing constitution review it may be beneficial for the council to consider separating the functions.

The appointment of the new Chief Executive has provided greater stability within the council and staff from across the organisation fed back positively on her fresh approach. However the CEX lacks sufficient resources in the form of permanent senior management capacity and this is hampering the ability to deliver members' vision for the borough. The immediate implementation of the agreed senior management structure is key to addressing this situation and should be a priority for the council.

Understandably, the new CEX initially invested time building relationships with the administration and has more recently begun to engage a wider group of members. This work needs to be built upon by the CEX and senior officers to ensure better working relationships with all elected members across the council.

Some partners recognise that the council is beginning to embrace opportunities for collaborative working. There was evidence of collaboration and leadership across Lancashire with developments in relation to both the City Deal and the joint development framework. Within the borough there was also evidence of greater involvement and leadership from the council through the work of the South Ribble Partnership.

These changes present the beginning of a positive shift in the perceptions to those gleaned in March 2017, when partner agencies described the council as a somewhat un-dynamic and a risk averse partner to work with, with a low level of ambition and limited capacity to drive change through partnerships. It is important to continue to develop this 'outward facing approach' to ensure that the council maximises the opportunities of closer collaborative working both locally and across Lancashire.

Whilst these perceptions (which were often attributable to both the Leader and the new CEX's approach) are a step in the right direction, the view from a number of partners was often with the caveat that the pace is too slow and is hindered by the lack of permanent senior capacity within the council. As above, the implementation of

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the senior management team structure would help to address the lack of pace and would help to ensure the perceptions of partners continues to improve.

Improvement journey

The team were pleased to see evidence of the implementation of some good transformational programmes, such as the Health, wellbeing and Leisure campus. It was also good to see that the council has taken up the Peers' earlier recommendation to establish an Improvement Reference Group, with members from different political groups, senior officers and the LGA (although noting that this is not independently chaired). The IRG is intended to bring capacity and focus to the improvement journey.

However, the IRG is not currently being utilised by the council in a way that maximises its impact and the team perceived a lack of 'buy in' by the council. It is recommended therefore that the council renews its focus and commitment to the IRG, recognises it as an important mechanism through which to maintain the emphasis on improvement and develops a clear timeline for when objectives in the improvement plan should be met and the IRG stood down.

When renewing the focus of the IRG the council may wish to consider linking activity to key milestones within the improvement plan. This would help to provide a 'themed' focus each time the group meets and could result a reduction in the number of meetings. There is concern that currently, updates to the IRG tend to be about future plans and process rather than updates on activity and impact. A reduced number but more focused series of meetings would allow for a more forensic look at progress under key themes; ensuring an action focused approach. The work of the IRG could also be communicated more effectively across the Council.

Political issues are still causing a notable distraction (although not to the same degree as in March 2017) and considerable energy and officer capacity continues to be expended addressing these political tensions at a time when senior capacity is particularly scarce.

One area of transformation in which progress has not been as swift at the team had anticipated is the implementation of the shared working arrangements with Chorley Council as a result of delays on decision-making. Initial work on this has previously delivered significant savings and it remains as a key pillar in the MTFs. To ensure progress is made at pace it is recommended that outstanding decisions in relation to this are expedited to enable clear work streams and project plans to be developed and enacted in the immediate short term and to provide clarity about the next steps. It would be helpful too if the councils' two communications teams work closely to ensure clear and consistent messages about the shared arrangements are conveyed to councillors, the workforce and residents alike.

The team felt that there is a need to progress with business transformation and ensure that a greater sense of urgency is portrayed; with regular performance and monitoring updates being taken to cabinet/council (and IRG beforehand).

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Organisational capacity and culture

Poor staff morale was a significant issue identified in the initial CPC and there has been some progress in tackling this. Frontline staff reported feeling proud of the borough and have shown continued resilience and commitment to delivering good services.

Considerable time and effort has been placed in developing a new approach to organisational development (OD) which is beginning to have positive outcomes. A number of staff that were spoken to reported feeling more empowered and engaged. The development of a new flexi time system and the use of the 'whitespace' were cited as positive examples. The engagement and visibility of the new CEX to staff was also well received and the council's ambitions for transformation were welcomed, with staff commenting that *"It's like we have had a big spring clean"* and *"It's exciting but daunting"*.

However, despite the emerging benefits of the new inclusive staff focussed approach to transformation, frustration remains amongst the staff about the pace of change, the sense of urgency and about the lack of clear messaging in relation to next steps. It was felt that greater clarity is needed about key transformational messages and that these need to be consistently communicated between senior officers and members at pace. It was also acknowledged by staff that the biggest barrier to progress is the lack of a permanent senior officer cohort. While interim managers are highly respected personally, it was acknowledged that the interim nature of the current appointments creates uncertainty and risk. The need for stability and certainty remains.

This frustration is heightened by the continuing political tensions that are delaying progress. There was acknowledgement amongst staff that this continues to contribute to negative external perceptions of the council.

One issue identified by the team as an ongoing area to address, is the lack of capacity and skills of the right kind and at the right level for ongoing transformation. For instance the team felt that in order to achieve the aims outlined in its transformation plan there remains a need to ensure officers with greater commercial and coherent programme management skills and experience are in post.

Also vital is the need to embed and sustain the positive approach to OD within the transformation programme; as the two should not be mutually exclusive. Also aligned to transformation programme is the need to scope and plan (now) the member induction plan for 2019. This will help to ensure that member development is integral to the wider approach to transformation and that the developing 'One team' approach includes members too. If developed, the council should also consider taking the new member induction plan to the IRG for external challenge and input.

Financial planning and viability

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The underlying financial position at SRBC remains sound and there is no 'burning platform' which the council needs to address. Like others within the local government sector, the council has tough financial decisions to make but fortunately does have options from which to choose in terms of ongoing savings, income generation and council tax.

Evidence from the medium term financial strategy highlights good practice for the development of the council's capital programme utilising £9.2m reserves. The council is also 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.

Despite this generally positive position there remains insufficient assurance about the implementation of the MTFS and in particular about the £300k savings linked to the shared services plans identified for 2018/2019. There is concern about the over reliance on reserves to balance the revenue budget and a serious risk to planned savings that emerged as a result of deferred decision making (including the decision not to implement / increase relating to car park charges).

Overall there is a need to develop a coherent approach to corporate, financial planning and strategic risk. In particular, to give greater assurance, robust clear and concise processes are needed to monitor and review the implementation of the MTFS, with greater clarity about where and when progress updates will be reported

Summary of recommendations

SRBC has made progress since the peer team's initial visit in March 2017. However as noted above (and as acknowledged in the council's self-assessment document) further action, at pace, is required to ensure that this progress is built upon with a greater sense of urgency.

To ensure the council achieves its vision that '*South Ribble is and continues to be recognised nationally as the best place in the UK*' the team suggests that the council places particular focus in the short term upon:

- Political leadership, to resolve the ongoing political tensions. For example through robust implementation of the new officer/member protocol.
- Implementing the new senior management structure
- Developing the leadership potential of the new senior team to take forward the place, strategic finance and transformation agendas
- Aligning political and officer processes to ensure decisions are implemented with no last minute changes
- Reviewing the governance committee; with a view to separating the audit and general governance functions.
- Implementing, with Chorley, the agreed approach to shared services
- Improving internal communication and clarity with staff about the vision and next steps for transformation; utilising different channels of communication and not over relying on CEX engagement sessions.

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- Renewing the focus of, and commitment to the Improvement Reference Group (and agreeing a timeframe for when the IRG can be stood down). This will help to ensure that this invaluable resource is utilised to best effect and that the focus on improvement within the council is maintained.

Next steps

We appreciate that the council will want to reflect on these findings and suggestions with the senior managerial and political leadership in order to determine how the organisation wishes to move forward.

Your LGA Principal Adviser, Gill Taylor, will be happy to work with you to identify any additional support the LGA can offer to help you respond to the points set out in this letter. Gill can be contacted on 07789 512173 or gill.taylor@local.gov.uk

Claire Hogan – LGA North West Principal Adviser

On behalf of the Peer Challenge Team

Recommendations from the 2017 LGA Corporate Peer Challenge for South Ribble Borough Council

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

II. 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.

III. Develop robust plans to bridge the financial gap in the Council's medium term financial plan, focused around firm project plans.

IV. All political parties to seek to gain consensus on the Council's strategic issues to improve the political stability of the Council.

V. Senior Members to ensure strong standards of personal behaviour in order to provide stronger leadership of the Council.

VI. 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.

VII. Senior Members to lead the improvement journey the Council has begun and demonstrate greater ownership of the Improvement Plan.

VIII. Establish an Improvement Reference Group to ensure appropriate pace and external challenge of the improvement agenda.