

# **Corporate Peer Challenge South Holland District Council and Breckland Council**

**12<sup>th</sup> to 16<sup>th</sup> December 2016**

**Feedback Report – 20<sup>th</sup> March 2017**

# 1. Executive Summary

Both councils define themselves as forward-thinking, entrepreneurial and innovative. The unique cross-county boundary shared management arrangement and the ambitious timescales for removing both councils' reliance on Revenue Support Grant demonstrate this.

The two councils demonstrate sound financial management. Whilst they face an on-going financial challenge, the situation does not dominate either authorities' thinking. They have adopted a positive approach to addressing the challenge, centred on increasing revenue through the realisation of the opportunities for economic growth in each district and through commercialisation. Both councils have demonstrated their commitment to this approach by making significant investment funding available to support it.

Both councils are doing a good job for their residents, with a range of good quality services and involvement in a number of major projects central to economic growth. It is clear that significant progress has been made in relation to many of the areas that the councils have sought to improve over recent years. Others have improved but they require further progress.

The councils' approach to performance management has gone through significant change and improvement. A new performance management system has been implemented and there is regular formal reporting of performance to elected members. The councils are increasingly utilising data and intelligence at the corporate level to inform activity and there are examples, that can be built upon, of the councils engaging residents directly in order to glean views and understanding in order to supplement such data and the local knowledge held by elected members.

Strong and effective leadership is seen widely from both council Leaders and the Chief Executive. This has been particularly noticed in the prominent roles they have played in relation to the 'devolution agenda' and in the economic growth agendas at the regional level. The roles the two Leaders play across the local government community derive significant benefit for both organisations and their districts not least in terms of profile and influence.

It is readily apparent that there is a huge amount going on across both councils and the areas they serve and there is good partnership working in both districts. However, there is a need for the ambitions in the councils' corporate plans regarding the growth agenda, along with how it is going to be shaped, to be more clearly articulated. It is undoubtedly the case that strong and effective leadership, and good engagement in partnerships, has been seen from the councils in relation to devolution and economic growth at the regional level. Ensuring this is mirrored at the more local level is important.

Both councils have good quality elected members and there are positive relationships between councillors and officers at all levels. We were impressed by those elected members that we met. They are well informed and knowledgeable about issues facing their local communities, their council and local government generally and demonstrated a strong appetite to tackle difficult issues.

The political leadership is stabilising in Breckland. This follows a change of Leader less than nine months ago and subsequent changes in the make-up of the Cabinet. Cementing that stability is important for the continued success of the council and the partnership.

The Executive Management Team is maturing and this will take a further step forward when a recently appointed Executive Director commences in post. We would encourage the councils, at that point, to ensure there is absolute clarity in relation to the respective roles and responsibilities of each member of the Executive Management Team.

Staff across both organisations generally feel well managed, valued and involved. They also feel an increasing sense of empowerment. Considerable effort is going in to improving the approach to people management in the councils. Similar effort is being put in to enhancing both councils' ICT effectiveness.

There is still a sense that the potential benefits of the relationship between the two councils have yet to be fully capitalised upon. There are back office functions where there could be greater integration of systems and approaches. The complexity of the councils' operating models are a challenge here but things are moving forward. In relation to the talk of the two councils seeking to extend the shared management arrangements to include a third party, the conclusion we have come to is that there is greater benefit to be gained at this time from focusing on consolidating the existing partnership and, through this, putting themselves in the best possible position to capitalise on any third party opportunities as and when they arise.

In South Holland, there are certain commercial ventures and contractual arrangements that have not delivered to the level envisaged. The two primary examples are Compass Point and Welland Homes. Compass Point needs specific attention in the immediate term to address issues. Breckland's commercial and contractual ventures have encountered fewer difficulties than those in South Holland but there are some issues which still require resolution. Learning from all of the experiences in relation to these ventures is crucial to the future success of further such initiatives in both councils. This is important in a context of major importance being attached to commercialisation as a key strand of the councils' approach to addressing their financial challenges.

'Moving Forward' is a single over-arching programme containing all of the councils' growth and commercialisation initiatives and an 'internal change' element looking at changing and improving how both organisations operate. It is important to ensure there is clarity regarding what needs to be focused on in relation to the programme, what is being sought from it and where the respective responsibilities and accountabilities lie.

Whilst devolution has not come to fruition in either place, both councils are seen to have played an influential role. Through the efforts of both council Leaders and the Chief Executive, relationships with other local authorities and the two councils' reputations have been enhanced. Key agendas have been progressed and the councils have demonstrated the ability to operate at a strategic level across a wider geography. The chance should now be taken to drive forward whatever is felt to be important from devolution that can be achieved without legislative reform.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the councils:

- It is clear that significant progress has been made in relation to many of the areas that the councils have sought to improve over recent years and elected members and staff of both councils should be applauded for this.
- Both councils should consider developing more mechanisms to engage residents directly in order to glean views and understanding to supplement data from national sources and the local knowledge held by elected members.
- It is important to ensure there is clarity regarding what needs to be focused on in relation to the 'Moving Forward' programme, what is being sought from it and where the respective responsibilities and accountabilities lie. With such a broad programme, things need to move forward in a way that is cohesive and complementary, with people working effectively together to make them happen and with interdependencies clearly recognised. There also needs to be clarity regarding how achieving each strand is resourced. It will be important to develop, over the coming months, a clear sense of how use of the available funding for additional capacity and expertise needs to be prioritised.
- The councils need to develop greater clarity around how the growth agenda is going to be shaped. They need to ensure the ambitions are clear and that the resources necessary to deliver them are identified and focused appropriately.
- The chance should now be taken to drive forward whatever is felt to be important from devolution that can be achieved without legislative reform.
- The councils need to ensure the strong and effective leadership they have demonstrated at the regional level is mirrored at the more local level.
- Cementing the stabilising political leadership in Breckland is important for the continued success of the council and the partnership.
- The Executive Management Team is maturing and this will take a further step forward when a recently appointed Executive Director commences in post. We would encourage the councils, at that point, to ensure there is absolute clarity in relation to the respective roles and responsibilities of each member of the Executive Management Team.
- The investment in new management arrangements within Compass Point has served to provide a better grip on the management of the services and functions being delivered. However, there is still a long way to go and Compass Point needs specific attention in the immediate term to address the issues that exist there.

- Learning from the experiences regarding the councils' commercial and contractual ventures is crucial to the future success of further such initiatives – this is important in a context of major importance being attached to commercialisation as a key strand of the councils' approach to addressing their financial challenges.
- In relation to the talk of the two councils seeking to extend the shared management arrangements to include a third party, given the sense that the potential benefits of the relationship between the two councils have yet to be fully capitalised upon, the conclusion we have come to is that there is greater benefit to be gained at this time from focusing effort on consolidating the existing partnership and, through this, putting themselves in the best possible position to capitalise on any third party opportunities as and when they arise.

### **3. Summary of the Peer Challenge approach**

#### **The peer team**

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 Holland District Council and Breckland Council were:

- Matt Prosser, Chief Executive of North Dorset District Council, West Dorset District Council and Weymouth and Portland Borough Council
- Councillor Sean Anstee, Leader of Trafford Council
- Julia Veall, Transformation Director at Gateshead Council
- Tracy Aarons, Deputy Chief Executive at Mendip District Council
- Mark Pearson, Director of Business Growth at Surrey County Council
- Stephen Cooper, Senior Adviser on Workforce, LGA
- Chris Bowron, Peer Challenge Manager, LGA

#### **Scope and focus**

The peer team considered the following five questions which form the core components looked at by all corporate peer challenges. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider/review/provide feedback on:

- The 'Moving Forward' programme
- The councils' ability to expand and extend sharing arrangements
- Commercialisation
- Progress the councils have made in recent years

### **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. 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 current LGA sector-led improvement support offer includes an expectation that all councils will have a corporate peer challenge every 4 to 5 years.

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 councils and the challenges being faced. The team then spent 5 days onsite with the two councils.

This report provides a summary of the peer team's findings. It expands 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.

## **4. Feedback**

### **4.1 Progress and improvement**

South Holland District Council and Breckland Council have worked hard to deliver improvement in recent years. Much has changed, including the appointment of a new Chief Executive, and significant progress has been made against the councils' improvement programme, which has been central to the driving forward of both organisations. The improvement ambitions included:

- Addressing a state of flux in, and the way the councils were 'getting by' in terms of, capacity at the Corporate Management Team level
- The need to identify options of a sufficiently significant scale with which to address the financial challenge
- Establishing a transformation programme that was 'fit for purpose'
- Ensuring adequate reporting of performance to elected members and the public
- Exploiting further opportunities within the shared arrangement, particularly in relation to the use of technology
- Delivering ICT effectively in line with the councils' needs
- Taking stock of, and re-affirming the ambitions of, the shared management arrangement

The councils were keen for us to consider the progress made in relation to these areas.

It is clear that significant progress has been made in relation to many of these matters, including those concerning the financial challenge, the transformation programme and performance management. It is also the case that other issues, including ICT and the situation with the Executive Management Team (EMT), have improved but that further progress is required. We touch on all of the above aspects in more detail at various points later in this report.

### **4.2 Ambitions and challenges**

Both councils define themselves as forward-thinking, entrepreneurial and innovative. The unique cross-county boundary shared management arrangement and the ambitious timescales for removing both councils' reliance on Revenue Support Grant demonstrate this. The two councils strive to deliver great value for money. Breckland has the lowest level of council tax amongst all district councils and it is only recently (February 2016) that South Holland has chosen to move away from its policy of reducing council tax.

Both councils demonstrate sound financial management, as evidenced by the judgements of the External Auditors. They face an on-going financial challenge, which is well

understood within both organisations, and they have delivered successfully against the challenges to date. Positively, the budget situation being faced in the next few years, whilst clearly of crucial importance, does not dominate either authorities' thinking. They have adopted a positive approach to addressing the challenge, centred on increasing revenue through 'commercialisation' and the realisation of the huge opportunities for economic growth that they see existing in each district and, through this, 'growing' their way out of the problem.

At the heart of the economic growth potential are the key characteristics of both places. In South Holland this includes a strong economy underpinned by major industries, good transport connectivity, major population growth, a broad range of quality housing, the historic character and a good quality of life in general. Breckland has a growing economy, an improving infrastructure, a strong and diverse housing market and a wide tourism offer. It has a low population density and is seen as an attractive and safe place to live.

The challenges in both districts include meeting the demand for housing and supporting economic growth through the use of land, infrastructure improvement (including Broadband), the provision of business support and the development of skills in line with the needs of local employers. There are also social challenges being faced, including the fact that one in seven children in Breckland is classed as living in poverty.

The councils' entrepreneurial and innovative approaches are reflected in the setting up of organisations and mechanisms to help address some of these challenges – Welland Homes in South Holland to develop housing for sale or rent and Breckland Bridge to drive investment and growth in that part of Norfolk. Breckland Bridge, which is a joint venture, has already delivered the £8.5m Thetford Riverside leisure complex, which features a cinema, hotel and series of restaurants. As well as having fulfilled a key part of the council's vision for Thetford, it is intended to act as a catalyst for further development both in the town and across the district.

Both councils have helped to enable major housing developments, involving thousands of new homes, across their districts. The councils have also been key partners in the development of the Food Enterprise Zone in Holbeach (South Holland) and the Norwich Cambridge Technology Corridor (Breckland) which are now coming in to being. These all represent major economic growth projects that the councils should be proud of their involvement in.

### **4.3 Consolidating – good building blocks**

Both councils are doing a good job for their residents. Based on the performance data shared with us they are providing good quality services. Their delivery of key projects, such as those mentioned above, is benefitting the places they serve. However, the councils also recognise that there are certain areas of performance that require continued improvement. The two primary examples are Planning in Breckland and Revenues and Benefits in South Holland. Neither service over recent years has been at the level that the councils expected. Improvements are being seen, with the councils acting jointly with those delivering the services to make the necessary changes, but they will need to continue to maintain a tight grip and look to up the pace of improvement.

The councils' approach to performance management has gone through significant change and improvement in the last few years. A new performance management system (Covalent) has been implemented and there is regular formal reporting of performance to elected members, including the Performance Boards that are held in each council on a six-weekly basis. Some Portfolio Holders are now even accessing Covalent for themselves and using this to inform their understanding of the services and functions they have responsibility for, provide constructive challenge and inform discussion.

The councils are increasingly utilising data and intelligence at the corporate level to inform activity. This includes socio-demographic data available nationally, such as Acorn data, which helps to inform understanding of the communities being served. This approach was used to develop 'ward profiles' for each councillor following the last local elections, which elected members indicated they found useful. It has also been used to inform discussion and planning in relation to the 'digital' agenda that the councils are pursuing, helping to constructively challenge perceptions regarding the 'readiness' of the two areas for a move to a model in which council services are increasingly accessed on-line. There are examples, that can be built upon, of the councils engaging residents directly in order to glean views and understanding to supplement national data and the knowledge held by elected members through the work in their wards.

Strong and effective leadership is seen widely from both council Leaders and the Chief Executive. This has been particularly noticed in the prominent roles they have played in relation to the 'devolution agenda' and in the economic growth agendas at the regional level, including with the Local Enterprise Partnerships (LEPs). The roles the two Leaders play across the local government community derive significant benefit for both organisations and their districts not least in terms of profile and influence.

The Chief Executive is visible and well engaged across both councils. Her communications with staff using a range of different mechanisms, including regular staff conferences open to all, the 'Ask Anna' question and answer on-line forum and frequent written communications, are very much valued. External partners also value the way in which she engages with them, with this being particularly notable in relation to those we spoke to at the regional and sub-regional level.

It is readily apparent that there is a huge amount going on across both councils and the areas they serve and there is good partnership working in both districts. However, there is a need for the ambitions in the councils' corporate plans regarding the growth agenda, along with how it is going to be shaped, to be more clearly articulated. We found it difficult to understand the overall picture of how the extensive activity at an operational and individual project level aligns with overall strategy, generating a risk of it being difficult for the two councils to determine where and how to focus. We expand upon this point later in the report.

Both councils have good quality elected members and there are positive relationships between councillors and officers at all levels. We were impressed by those elected members that we met. They are well informed and knowledgeable about issues facing their local communities, their council and local government generally and demonstrated a strong appetite to tackle difficult issues. There is investment by both councils in elected member training and development, reflected in Breckland having secured Charter Plus

status for the Councillor Development Charter and South Holland committed to achieving the same.

Overview and Scrutiny in South Holland is fulfilling a positive role. The Policy Development Panel is helping to shape the council's approach to significant issues, including the 'digital agenda'. The Performance Monitoring Panel is focused on issues that are felt to be important in the district, including having looked at the quality of service provision at the swimming pool and the performance of Compass Point Business Services Limited, a company jointly owned and controlled by the council and East Lindsey District Council and created in 2010 to deliver front and back office services. The time it has been taking the council to turn around 'void' council houses ready for the next tenants has been jointly considered by both Panels and significant improvements have resulted. Those elected members that we spoke to who sit on the Panels feel that there is further potential for Overview and Scrutiny and they are keen to explore it.

In Breckland, Overview and Scrutiny is now starting to be shaped to play a more meaningful role. Under the recently appointed Chair, a more strategic approach is being sought for the work of the Committee in order to ensure it is focused on the issues that are going to make the greatest difference in the council and the district.

The political leadership is stabilising in Breckland. This follows a change of Leader less than nine months ago and subsequent changes in the make-up of the Cabinet. Cementing that stability is important for the continued success of the council and the partnership.

The situation with EMT has improved in recent years, with a state of flux previously existing and the councils 'getting by' in terms of capacity at the corporate management team level. The team is maturing and this will take a further step forward when a recently appointed Executive Director for Growth and Commercialisation commences in post early in the New Year. We would encourage the councils, at that point, to ensure there is absolute clarity in relation to the respective roles and responsibilities of each member of the EMT. There are a couple of key aspects to this.

The first aspect is ensuring any possible blurring of roles is avoided, reflected for example in the incoming Executive Director being responsible for Growth and Commercialisation, whilst another Executive Director colleague is over-seeing the councils' 'Moving Forward' programme which includes all of the councils' key growth projects. The second aspect is ensuring the expectations of the way the Executive Director roles are to be fulfilled are mutually understood between the post-holders and the Chief Executive. For example, how does the interface with the Leaders take place? Is it on a needs-based, issue by issue basis where all of the individuals in the EMT engage as necessary, or is it more a question of the Chief Executive taking the lead on behalf of the team? Similarly, with the Chief Executive being very visible across both organisations, what are the expectations around, and respective responsibilities of, Executive Directors in terms of internal communications activity and visibility?

Staff across both organisations generally feel well managed, valued and involved. The internal communications mechanisms that we highlighted earlier, led by the Chief Executive, assist greatly with making people feel informed, engaged and appreciated. Staff that we spoke to also feel an increasing sense of empowerment, part of which relates

to the commercialisation agenda being pursued by both councils, which encourages them to come up with ideas around improving the way the councils work and generating income.

There is generally a positive view amongst staff regarding the training and development investment made in them. The large majority of the staff that we spoke to felt that their needs were appropriately identified and the council sought to meet them. There was, however, a sense that this was more straightforward for those working in an area where there was an obvious professional development route. It is also the case that there is seen to be some variability from one manager to another in terms of the training and development opportunities they afford to people.

Considerable effort is going in to improving the approach to people management in the councils. Both organisations have recently been reviewing their full range of HR policies and each is set to adopt a revised HR Policy Handbook early in 2017. The approach to performance and development appraisals is seen to be much improved from before, with increased uptake, but further refinement is planned. An increasing emphasis is being placed on sickness absence management, in order to make this more rigorous.

Similar effort is being put in to enhancing both councils' ICT effectiveness. The improvements and progress made thus far have focused on putting in place the core underpinning systems and technologies necessary to provide a reliable and suitably advanced ICT capability. As a consequence, what has been delivered to date has not yet made a tangible difference to staff but this will start to change over the coming months.

It is really positive that, even beyond those service areas and functions that operate under shared management, there is good networking, sharing and cross-fertilisation of ideas between the two councils. This doesn't just apply to officers, who welcome the opportunity to learn from colleagues in another council in a different county, but also to elected members who have undertaken several visits to glean ideas and see alternative ways of doing things. This is not a formally established element or requirement of the shared arrangement – rather it is people making such exchanges happen because they are keen to learn.

Despite this, and the many other successes of the shared arrangement, there is still a sense that the potential benefits of the relationship between the two councils have yet to be fully capitalised upon. There are back office functions, particularly HR and ICT, where there could be greater integration of systems and approaches. The complexity of the councils' operating models are a challenge here but things are moving forward as reflected, for example, by the decision not to extend the contract for the provision of Breckland's ICT through a third party and instead to bring this back in-house in order to have more direct control and influence.

In South Holland, there are certain commercial ventures and contractual arrangements that have not delivered to the level envisaged. The two primary examples are Compass Point and Welland Homes. Compass Point delivers ICT, HR, Customer Services, Revenues and Benefits and Financial Services, whilst Welland Homes was established to develop housing for sale or rent within the district. Neither has delivered as successfully as was envisaged. The reasons for this cover the whole breadth of the scoping, implementation, monitoring and management of these initiatives.

Compass Point needs specific attention in the immediate term to address issues. The council has recently invested in new management arrangements within Compass Point and this has served to provide a better grip on the management of the services and functions being delivered but there is still a long way to go. Revenues and Benefits performance, for example, whilst improving, remains unsatisfactory. In addition, there is a sense of Compass Point 'being in a vacuum' at present, with a real lack of clarity regarding its strategic direction and longer-term future. This is frustrating for, and having a negative impact upon, people working there – and potentially therefore on resident experience.

Breckland's commercial and contractual ventures have encountered fewer difficulties than those in South Holland but there are some issues which still require resolution. As we have already touched upon earlier in this report, the Planning function, which is contracted out, has not been performing in the way anticipated but progress is now being seen with an improvement plan having been established with the provider and the council having a tighter grip on things. Breckland Bridge takes responsibility for the strategic management and development of the council's non-operational property assets. A very good start has been made with the three initial projects, involving the development of Thetford Riverside (which we outlined earlier in this report) and residential housing schemes in Mileham and Attleborough. However, there is not yet any clarity regarding the next set of projects to be delivered and this needs to be addressed if the joint venture is to flourish.

Learning from all of the experiences outlined here relating to commercial and contractual ventures is crucial to the future success of further such initiatives in both councils. This is important in a context of major importance being attached to commercialisation as a key strand of the councils' approach to addressing their financial challenges. Getting the scoping of such initiatives right, ensuring a smooth and successful implementation and then monitoring them carefully, and applying the necessary management rigour where things are off track or the strategic direction risks becoming unclear, is vital. Linked to this, getting both the political oversight and operational governance right is essential in order to ensure the implementation and successful on-going delivery of the councils' key projects and programmes.

#### **4.4 Delivering future ambitions**

Addressing the councils' financial challenges is dependent upon the successful delivery of growth (central to which is economic growth) and commercialisation and, through this, increasing revenue. Both councils have demonstrated their commitment to this approach by making significant investment funding available to support it, including investment funding for commercial acquisitions, the use of property assets to aid regeneration and growth and revenue funding to enable the bringing in of additional capacity and expertise where necessary to support the delivery of the councils' key projects, including the 'Moving Forward' programme.

'Moving Forward' is a single over-arching programme containing all of the councils' growth and commercialisation initiatives and an internal change element looking at changing and improving how both organisations operate. This means that the programme is very broad. In both councils, good progress is being made in relation to the internal change aspects. It is acknowledged by the council, though, that much of what is included in this strand is

either 'business as usual' or 'playing catch up' in relation to what many other councils are already delivering. Examples include two of the mainstays of the programme – service reviews to identify efficiencies and alternative ways of working and, through 'digitalisation', increasing access to services for the public on-line.

It is important to ensure there is clarity regarding what needs to be focused on in relation to 'Moving Forward', what it is that is being sought from the programme and where the respective responsibilities and accountabilities lie. There is a question on our part as to whether the 'business as usual' elements need to be included in the programme. Based on our discussions, we see a need for greater clarity in relation to the intended outcomes from the programme and who leads what within the senior management team. With such a broad programme, things need to move forward in a way that is cohesive and complementary, with people working effectively together to make them happen and with interdependencies clearly recognised. There also needs to be clarity regarding how achieving each strand is resourced. It will be important to develop, over the coming months, a clear sense of how use of the available funding for additional capacity and expertise needs to be prioritised. We understand this will be looked at in the early part of the New Year.

As 'Moving Forward' gathers momentum, it is important to ensure staff can see the benefits that will be derived for local people, the services they are delivering and themselves and that they have a stake in the changes that take place. This will be important in order to prevent staff coming to feel change is being 'done to them' and to avoid 'change fatigue'.

We see a need for greater clarity around what the focus of 'commercialisation' is. This is a key part of the 'Moving Forward' programme. 'Commercialisation' appears ingrained in Breckland, with staff at all levels being able to articulate it as generating income and increasing efficiency and seeing this as a key part of their role. The agenda is not as well embedded in South Holland, with less clarity around what 'commercialisation' involves.

In a similar vein, and as we outlined earlier, we see a need for the ambitions in the councils' corporate plans regarding the growth agenda, along with how it is going to be shaped, to be more clearly articulated. It is undoubtedly the case that strong and effective leadership, and good engagement in partnerships, has been seen from the councils in relation to devolution and economic growth at the regional level. Ensuring this is mirrored at the more local level is important. As an example, we were struck by the positivity and willingness of the private sector partners that we met in South Holland and their desire to work with the council and others to help to increase prosperity and provide opportunities for young people. However, they felt they were struggling to engage strategically with the council and others around skills and employment.

Whilst devolution has not come to fruition in either place, both councils, as we outlined earlier, are seen to have played an influential role. Through the efforts of both council Leaders and the Chief Executive, relationships with other local authorities and the two councils' reputations have been enhanced. Key agendas, including social care and waste, have been progressed and the councils have demonstrated the ability to operate at a strategic level across a wider geography. The chance should now be taken to drive forward whatever is felt to be important from devolution that can be achieved without legislative reform. Doing so is likely to deliver significant reward but there is a capacity

challenge around doing so that the councils will need to work through in order to determine how best to continue to engage at this level.

In relation to the talk of the two councils seeking to extend the shared management arrangements to include a third party, the conclusion we have come to is that there is greater benefit to be gained at this time from focusing on consolidating the existing partnership and, through this, putting themselves in the best possible position to capitalise on any third party opportunities as and when they arise.

## **5. Next steps**

### **Immediate next steps**

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Gary Hughes, Principal Adviser, is the main contact between the two councils and the Local Government Association (LGA).

In the meantime we are keen to continue the relationship we have formed with the councils throughout the peer challenge.

### **Follow up visit**

The LGA Corporate Peer Challenge process includes a follow-up visit. The purpose of the visit is to help the councils assess the impact of the peer challenge and demonstrate the progress that has been made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the councils. Our expectation is that it will occur within the next 2 years.

### **Next Corporate Peer Challenge**

The current LGA sector-led improvement support offer includes an expectation that all councils will have a corporate peer challenge or finance peer review every 4 to 5 years. It is therefore anticipated that the councils will commission their next peer challenge by 2021.

## **Annex – Contents of the feedback presentation delivered to the councils on Friday 16<sup>th</sup> December 2016**

### **Progress and improvement**

- The previous corporate peer challenge three years ago highlighted the following as key areas for improvement:
  - A state of flux and ‘getting by’ in terms of capacity at the Corporate Management Team level
  - Identifying options of a sufficiently significant scale with which to address the financial challenge
  - A transformation programme defined as ‘not fit for purpose’
  - Inadequate reporting of performance to elected members and the public
  - Exploiting further opportunities within the shared arrangement, particularly in relation to the use of technology
  - A failure to deliver ICT effectively in line with the councils’ needs – requiring a solution urgently
  - Take stock of, and re-affirm the ambitions of, the shared management arrangement
- Significant progress has clearly been made in relation to many of these matters but some issues still exist

### **Ambitions and challenges**

- Both councils define themselves as forward-thinking, entrepreneurial and innovative
- They strive to deliver great value for money
- Huge opportunities for economic growth are seen to exist in each district
- Both councils face an on-going financial challenge but they have delivered against it successfully to date and the budget situation, whilst clearly of crucial importance, does not dominate either authorities’ thinking
- Both councils are ambitious in their timescales for removing their reliance on Revenue Support Grant
- A positive approach is being taken to addressing the financial challenges – centred on increasing revenue through ‘growth and commercialisation’

- Key characteristics of South Holland as a place include a good quality of life, a broad range of quality housing, good transport connectivity, historic character, major population growth, a buoyant economy underpinned by major industries
- Key characteristics of Breckland include it being an attractive and safe place to live, low population density, a growing economy, improving infrastructure, a strong and diverse housing market and a diverse tourism offer
- The challenges in both districts include the demand for housing and supporting economic growth through land use, infrastructure, business support and skills
- There are a number of key projects that the councils should be proud of their involvement in:
  - Thetford Riverside
  - Enabling major housing developments across both districts
  - Food Enterprise Zone in Holbeach
  - Norwich to Cambridge Technology Corridor

### **Consolidating – good building blocks**

- The anecdotal evidence is that both councils are doing a good job for their residents – good services, delivery of key projects, good quality of life
- However, the councils recognise there are certain areas of performance that require continued improvement – pace and grip
- The councils’ approach to performance management has gone through significant change and improvement since the previous corporate peer challenge
- The councils are increasingly utilising data and intelligence at the corporate level to inform activity but is still limited in the way it engages residents directly in order to supplement the knowledge held by elected members
- Both councils demonstrate sound financial management
- Strong and effective leadership is seen widely from both Leaders and the Chief Executive
- The roles the two Leaders play in wider local government and beyond derive benefit for both organisations – profile and influence
- The Chief Executive is visible and her engagement across both councils and with partners is valued
- In Breckland, the political leadership is stabilising and this is important for the continued success of the council

- Both councils have good quality elected members and there are positive relationships between councillors and officers
- There is investment in elected member training and development
- Overview and Scrutiny in South Holland is fulfilling a positive role and has further potential, whilst in Breckland it is now starting to be shaped to play a more meaningful role
- The situation with the Executive Management Team has improved since the previous corporate peer challenge and the team is maturing
- Staff across both organisations feel well managed, valued and involved, with a sense of empowerment and engagement
- There is a positive view amongst staff regarding the training and development investment made in them
- Considerable effort is going in to improving the approach to people management in the councils
- The same applies to ICT, although the improvements and progress made thus far have not yet made a tangible difference to staff but this will start to change over the coming months
- Out-with the shared management, there is good networking, sharing and cross-fertilisation of ideas between the two councils – with people making these happen on an informal basis
- The potential benefits of the relationship between the two councils have still yet to be fully capitalised upon – the complexity of the councils’ operating models are a challenge here but things are moving forward
- There is good partnership delivery at the operational level in both districts
- There is clearly a huge amount going on across both councils but it is difficult to see clearly the ‘strategic whole’ – making it difficult to determine where and how to focus and how strategy aligns with activity at an operational and project level
- In South Holland, there are certain commercial ventures and contractual arrangements that have not delivered to the level envisaged
- The reasons for this cover the whole breadth of the scoping, implementation, monitoring and management of these initiatives
- Breckland’s similar such ventures have encountered fewer difficulties but there are some issues which still require resolution

- Compass Point needs specific attention in the immediate term to address issues – at the present time there is a sense of it ‘being in a vacuum’ despite the investment made recently in new management arrangements
- Learning from these experiences is crucial to the future success of further such initiatives
- Political oversight and operational governance is essential in order to ensure the implementation and successful on-going delivery of the councils’ key projects and programmes

### **Delivering future ambitions**

- Addressing the councils’ financial challenges is dependent upon the successful delivery of ‘(economic) growth and commercialisation’
- Both councils have demonstrated their commitment to this approach by making significant investment funding available to support it
- Growth and commercialisation form a major strand of the ‘Moving Forward’ programme – along with a ‘transformation’ element including service reviews and digitalisation
- In both councils, good progress is being made in relation to the transformation aspects – although what exists there is recognised as ‘playing catch up’ and includes a lot that is ‘business as usual’
- As transformation moves forward, it is important to ensure people see the benefits that will be derived for them rather than coming to feel change is being ‘done to them’ – ‘change fatigue’
- Whilst ‘commercialisation’ appears ingrained in Breckland, it is less embedded within South Holland
- The ‘Moving Forward’ agenda in both council areas is very broad – clarity is required on what needs to be focussed on, how the investment that is available is best utilised, the councils’ approaches to place leadership and how they work with others at the strategic level to achieve success
- Central to this is greater clarity around what the focus of ‘commercialisation’ is and how economic growth is going to be shaped
- Whilst Devolution has not come to fruition in either place, both councils are seen to have played an influential role, their relationships with others and their reputations have been enhanced and key agendas have progressed
- The chance should now be taken to drive forward whatever is felt to be important from Devolution that can be achieved without legislative reform

- Through the Devolution process, the councils have demonstrated an ability to operate at a strategic level across a wider geography – continuing to do so is likely to deliver significant reward but there is a capacity challenge around doing so
- In relation to the talk of the two councils seeking to extend the shared management arrangements to include a third party, the conclusion we have come to is that there is greater benefit to be gained at this time from focusing on consolidating the existing partnership