

Corporate Peer Challenge

Ashfield District Council

Dates: 15th – 17th March 2017

Feedback Report

1. Executive Summary

Ashfield District Council is an ambitious and enterprising council with a good understanding and awareness of the opportunities and challenges the place brings. These are clearly articulated by the council in its corporate plan and are backed up with a range of initiatives and programmes to deliver good quality services through a more efficient and effective council organisation. The council has identified five key themes and these have been communicated well among staff, partners and the local community. There is very good engagement by members in providing political leadership and developing productive relationships with sub regional partners. The council is now trying to develop and promote the identity of Ashfield as a place through the 'Ashfield Story'.

There has been a step change in the political and managerial leadership of the organisation which has led to the council becoming a more confident organisation. There is good understanding of the nature and scale of the challenges the council faces and the leadership team has grasped these in a positive way. There are good trusting relations between senior members and staff and there is clarity of understanding of member and officer roles and responsibilities.

The council has put in place effective internal and external communication mechanisms which are leading to positive perceptions of the council as an employer and partner. It is seen as a good place to work and a trusting partner to do business with. The council is outward-looking, it connects with its partners and is well respected by them. This was a regular feature of the conversations the peer team had with the range of external partners. They regard Ashfield DC as a good place and a different place to what it used to be in the past.

The council recognises the need for further change and has an ambitious programme to deliver for the needs of Ashfield residents. It has the ability to recognise that change is really important and has a great opportunity now to do things differently.

Like most of the local government family the council is under financial pressures and needs to ensure it stays ahead of the curve in managing these. Ashfield DC is facing a £3.8m gap in its budget over the next five years. Nevertheless, it has a real understanding of the need to fill this gap and is taking steps to do so. It now needs to ensure that its strategies for dealing with the financial pressures are reflected in its long-term plans and that these are communicated widely.

The key strategic direction of the council is to become a smaller and more commercial organisation with a clear focus on the delivery of good quality, value for money services. It has put in place an ambitious programme to enable it to make that change. Given this ambitious programme, the council needs to be cautious about tackling these issues on a broad front and should prioritise a few areas which will lead to the greatest outcomes for the local community. This will ensure that capacity is developed and deployed in a coordinated and smart way.

Key recommendations

In moving forward our key recommendations are:

- 1) *Review the corporate plan annually to identify a small number of key priorities for the year.* These priorities should be performance managed and progress reported to cabinet regularly.
- 2) *Grasp the new strategic opportunities that are before the council which could lead to great outcomes for Ashfield's communities.* Partnership working and maintaining excellent relationships with stakeholders across the region and sub-region will be critical to this.
- 3) *Agree which of the new initiatives are going to deliver the best outcomes and savings for the council and prioritise accordingly.* These priorities should have robust business/delivery plans, savings targets and governance structures backing them up and they should then be communicated widely.
- 4) *Concentrate the new initiatives (i.e. commercialisation, transformation and customer services) into a single Ashfield Business Model.* This will help to crystallise your ambitions and present a uniform strategy rather than three discrete programmes.
- 5) *Agree financial targets for the six key savings streams.* These should then be included in the Medium Term Financial Strategy (MTFS) and performance managed.
- 6) *Combine MTFS, Budget and the Capital Programme into one combined comprehensive MTFP.* This will help in managing and communicating a clear and consistent picture of the financial state of the organisation.
- 7) *Consider how to create greater involvement of opposition members in more strategic scrutiny reviews.* This could involve developing a more ambitious scrutiny programme and conducting scrutiny through commissions and deep-dives around key work programme areas and strategic priorities.
- 8) *Facilitate member involvement in designing an Induction programme for Councillors.* This will help to ensure that all new members are quickly inducted into the culture of the organisation and are familiar with the aspirations of the council, as well as their roles and responsibilities within it.
- 9) *Instigate an early review of project management, performance management and Area Committees.* There is potential here to release member and officer capacity and deploy it more productively across the organisation.

2. 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 Ashfield District Council were:

- **David Marchant**, Chief Executive (Castle Point Borough Council)
- **Councillor David Ellesmere**, Leader (Ipswich Borough Council)
- **Donna Parham**, Assistant Director of Finance and Corporate Services (South Somerset District Council)
- **Kirsten Burnett**, Head of HR (Hyndburn Borough Council)
- **Satvinder Rana** - Programme 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 comment on and provide feedback on the council's 'Commercialisation', 'Transformation' and 'Customer Services' agendas.

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 focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent 3 days onsite at Ashfield District Council, during which they:

- Spoke to more than 55 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 28 meetings and additional research and reading.
- Collectively spent more than 300 hours to determine their findings – the equivalent of one person spending more than 8 weeks in Ashfield District Council.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (15th - 17th March 2017). 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.

3. Feedback

3.1 Understanding of the local place and priority setting

The council has a clear picture and understanding of what it is trying to achieve. There is good awareness among members and officers about the needs of the local community and an understanding of what needs to be done to address them. There is good analysis about the community and about Ashfield as a place. This has been developed through local Place Surveys, data collection and community consultation and engagement exercises. The council's key community and spatial strategies have been built on the evidence and data that it has collected.

There is recognition of the opportunities and the challenges the district presents. The location of the place and the strategic assets it has in terms of motorway connectivity, open spaces and the planned High Speed Two (HS2) line which will cut through the district all provide opportunities for the council. There is high level recognition about the need to exploit these. There is also recognition of the challenges the local community faces in terms of poverty, a low skills base and a low wage economy. The council is now having meaningful conversations with partners on how to deal with these.

The corporate plan articulates these opportunities and challenges well and communicates the key messages in a clear and concise way which helps staff and partners to understand what it is that the council wants to achieve and how it wishes to take things forward. The corporate plan sets out the council's ambitions around five strategic themes which reflect the needs of the district and the council as an organisation. The 'golden thread' is visible and staff see the council's vision for Ashfield as a motivator and understand their role in delivering it.

However, the number of activities set out in the corporate plan are broad and wide ranging and there is a danger that the council could lose focus and spread its capacity too thinly. There is a need to bring greater focus on what the main priorities are; and what they will be in the future. We would therefore recommend that the council should break down its programme of activities into annual priorities for delivery, with a clear picture of the expected outcomes. This will enable the council to better sequence activities, performance manage them and deploy its capacity more effectively by tackling the things that are most important first.

3.2 Leadership of Place

The council provides effective leadership of place through its elected members and officers. Both political and managerial leadership is strong and visible and it is recognised and valued by the council, its staff and partners. The relationship between senior members and the senior management team, particularly the relationship between the leader and the chief executive, is critical to the success

of any council and Ashfield has this in place now. This strong leadership is encouraging partners to invest their time to work with the council which is unlocking opportunities and will lead to better outcomes.

There are strong and constructive relationships and partnerships with external stakeholders. These can be demonstrated through shared service arrangements and co-location and integration of services. All the partners speak very highly of the council and are keen to do business with it. "They make very good partners" was the consistent message the peer challenge team heard from partners. There are good relationships with neighbouring councils and the shared services partnership with Mansfield DC has survived leadership change in both councils, thereby demonstrating its strength and sustainability. The council is an active regional and sub-regional player and has good engagement with the county Health and Wellbeing Board, the Local Enterprise Partnership (LEP), and the HS2 Strategic Board. It is having productive discussions with partners about the proposed 'Maid Marian Line' linking Kirkby to the proposed HS2 station at Totton.

There is a lot more information flow and communication within and out of the council now which is appreciated by all. This is sending out a very powerful message and is helping to build confidence in the organisation internally and externally. We feel the time is right to build on this confidence and exploit the opportunities that are being presented for collaborative working to boost the local economy through the LEP, D2N2 Combined Authority proposals and opportunities emerging from HS2. All these could open up a whole raft of possibilities and the leadership should now take advantage of its new influence to move into this space.

There is now much better and improved member and officer relationship, trust and cross party communication in the council. This is a good indicator of the health of the organisation and represents a clear shift from where the council was a few years ago to where it is now. It should use this as a cursor to move on even more rapidly and start addressing the residual negative perceptions of the council that may still exist to free up political and managerial capacity for constructive use.

There are still some 'politically motivated' complaints which are diverting energy and resources into dealing with them. Executive members should demonstrate leadership by setting themselves aside from all these minor issues and devote their time and energy into delivering their ambitions for Ashfield instead. The complaints procedure needs to be proportionate and should be used to address the most pressing concerns.

3.3 Organisational leadership and governance

There is effective political and managerial leadership supported by good governance and decision making arrangements across the council. The peer challenge team came across clear and compelling evidence that the cabinet and

the management team are working very closely and effectively together. They are developing policy jointly and tackling difficult issues around finances in a trusted and cooperative atmosphere, which many people now regard as “safe space”. The cabinet and management team’s constructive way of working is recognised by staff and partners and they see the council as a much more engaged and outward-focused organisation.

Relationships among cabinet members are also strong and together they are providing effective political leadership to the council – “we share the same political aspirations for Ashfield” was echoed by cabinet members. All members have the opportunity to be engaged in this emerging process, and although not all members may be grasping the opportunity it is good to see that processes are in place to enable them to do so. As the council moves forward in delivering its active and progressive work programme it needs to continue building its communication channels by offering briefings through, for example, the Cross Party Update Group. These types of initiatives are the hallmarks of an open, transparent and confident council.

The changes to access arrangements for members have been positive for the organisation and the view from staff and members generally is that they have worked very well. We think the council should continue with these arrangements, at least for the foreseeable future, even though a small number of members are still finding it difficult adjusting to them. This will ensure that there are proper and professional mechanisms in place to deal with member enquiries in a constructive and timely manner.

Scrutiny appears to be working and coming up with results, but it is not focusing on strategic issues. There is also the question of how the involvement of opposition members in scrutiny can be strengthened. Clearly, as in many local authority areas, there is work to be done on thinking this through. We therefore recommend that support be provided to the scrutiny committee to consider the benefits of further aligning and coordinating its work plan with the corporate plan. This will enable it to scrutinise the delivery and impacts of the priorities of the corporate plan. It can do this by scrutinising work through commissions and deep-dives around key work programme areas, strategic priorities, and critical issues impacting on Ashfield’s citizens.

Members were very keen to flag up the need to review the council’s community engagement processes. There is a general consensus that Area Committees are not effective and that they consume high levels of resources. This model of community engagement is no longer working and we came across a real appetite among members to review this model and replace it with something that is more engaging, less resource intensive and one that reaches out to all sections of the local population.

When we looked at the governance arrangements for the council’s programme themes, we found them to be resource-intensive and overly bureaucratic. We would recommend that these are reviewed as well so that they are appropriate and proportionate to the risks involved. The council is moving at pace from a risk-

averse organisation with a very traditional approach to conducting its business into a very different organisation with a cabinet and management team that is taking control. It is now dealing with risks at a different speed and this requires the organisation to be a lot more nimble and agile. Therefore, it needs to ensure that when members and manager take a decision around risk it is done in a proportionate way.

This means striking a balance between managing risks and taking timely decisions in a confident atmosphere. We think that as trust in relationships develops this should be matched with an increase in delegated powers to officers, thereby allowing members to focus on more strategic issues and leaving the day to day operational matters to officers.

3.4 Financial planning and viability

Local Government has seen major reductions in its funding over the past seven years and there are further significant grant reductions planned to the end of the decade. Ashfield DC, like other local authorities, has had to face this unprecedented situation by making difficult choices and reducing its net costs by £8m. This has been achieved through the use of reserves, organisational efficiencies, shared services and income generation.

Although the council faces no immediate issues with regard to liquidity, total debt or long term liabilities; future changes in core spending however are significant and find the council with limited opportunities from investments and other options. The council's Medium Term Financial Strategy (MTFS) sets out details of the continuing necessity to make savings and in order to maintain healthy reserves the council is forecasting a savings package of £3.8m over the next 5 years.

There is recognition of these financial challenges and the council is taking steps to deal with them. It has already bought the ALMO back in-house, saving £600k in the process; has entered into shared service arrangements with Mansfield DC; and is now developing a Commercial Enterprise Strategy, identifying further efficiency opportunities through Information Technology (IT) development and digital channels, making more efficient use of assets and carrying out service reviews. All these initiatives are encapsulated in the council's 'Commercialisation', 'Transformation' and 'Customer Services' agendas.

However, these programmes represent major organisational change and will require detailed structural and process review, extensive staff and Trade Union consultation, and possibly some reductions in staff numbers through either voluntary or compulsory means. We therefore think that all these programmes need crystallising so that everyone understands what it is that they are trying to achieve, how they will be delivered, by when, and what the impact is likely to be. At present there are lots of initiatives and ideas supporting those programmes, but there is a lack of focus on prioritising and resourcing them. This lack of focus and

prioritisation poses a risk to delivery and the achievement of required savings within the necessary timescales.

The council's MTFS does not currently show the financial targets set against the key initiatives of commercialisation, transformation, property investment, service reviews, etc. We accept there may be an understanding at senior levels of the organisation about what those will be but we did not see them and think they need to be translated into a different form and included in the MTFS. This will ensure that people are clear about which initiatives are likely to be pursued, what they will mean for the organisation and what level of savings are expected to be delivered.

In considering the council's financial position we think there needs to be even greater awareness, monitoring and sharing of the potential impact of future cuts to, for example, New Homes Bonus (NHB), Business Rates, and other central government funding and how these will impact on the finances of the council. These pose a serious risk to the future financial viability of many councils and Ashfield DC should stay on top of this. Of particular concern is that the expected level of business rates estimated for 2019/20 is £1.3million above the 'base line' assessment in the year that business rates are 'reset'.

The council has some ambitious savings plans in place but they need to be closely monitored to mitigate against slippage and double counting. This will ensure savings that have been accounted for are actually delivered and that they are not double counted across the organisation. The peer challenge team feel that more work needs to be done on this so that savings that were agreed each year are actually delivered within that year.

The delivery of savings in 2017/18 and beyond will require robust and focussed management, with clear accountabilities and delivery plans in place. The council therefore has work to do to strengthen this important aspect of its governance. We would recommend that more clarity is provided in the presentation of financial information about the impact of decisions in future years, so that members are clear about how decisions taken now will impact on the council's finances in the future.

3.5 Capacity to deliver

The council is aligning its organisational capacity to enable it to deliver against its strategic objectives. There are new management team arrangements being put in place to address the challenges the council faces. This looks like a positive step leading to a management team that will be smaller, more agile and consisting of enthusiastic, motivated and highly-tuned professionals. Staff and unions appreciate the fact that savings are being made at all levels. Change has been managed well through good communication and engagement and the chief executive has been very active in ensuring this.

The peer challenge team was very impressed with the quality of staff they met. We found them to be motivated and enthusiastic about the future and potential

new ways of working. They spoke very positively about the proposed changes and the planned transformation of the organisation. They wanted to make a contribution to achieving the ambitions of the council. The general feeling among staff was that these were “scary but exciting” times, that they have “come on a great journey in the last few years” and that the council was now a “much nicer place to work”.

There are good building blocks in place around staff development, performance management, employee engagement, communication, and staff wellbeing. Staff were appreciative of the open dialogue that is encouraged and feel they are well briefed about what is happening in the council. They were very appreciative about the effort the chief executive has made to communicate with staff and they welcomed the ‘Art of Brilliance’ sessions and the ‘Learning at Work Week’ as positive developmental interventions.

There are strong constructive relationships with the Trade Unions and they seem to have bought into the ambitious programmes that the council is embarking on. This will be very helpful to the council as it begins delivering those programmes and taking some difficult decisions. Furthermore, joint working arrangements with neighbouring councils and other external partners are working well and this is increasing skills and capacity.

Some good work has been done on managing attendance and wider health and wellbeing and staff spoke of an environment at work where they could thrive. The health and wellbeing initiatives, such as the “Camaraderie Cup” have improved overall employee engagement and brought some fun into the workplace. There are plans to promote more flexible working opportunities. People spoke positively about the new competencies and the focus these helped to place on behaviours at work. These measures have all contributed to a reduction in sickness absence.

The improvements in member and officer relationships are highly valued by staff who appreciate that they have less distraction than previously and feel that Cabinet gives clearer directions, makes decisions and sees them through.

Cross-services conversations have improved and the council’s commercialisation and transformation agenda is facilitating a lot of dialogue across services about the changes that need to take place, particularly at 3rd tier manager level. This is very positive and encouraging, but now needs to be translated into more actual collaborative working on the ground. We would therefore urge the council to continue encouraging these conversations and seek opportunities for more joint and collaborative working which will not only release capacity and resources but will also improve access to services for citizens.

Cabinet and senior management team are leading the move away from a risk-averse culture, but at a pace which is in danger of leaving the rest of the organisation behind. In moving at that pace it is important that everyone understands what is being done and why. We found that the council has built up a lot of enthusiasm across the organisation where staff are motivated to start the process of delivering the necessary changes. We would advise the council to find ways to manage the financial realities so that this new found enthusiasm among

staff is not lost if and when difficult decisions impacting job security need to be taken.

All the key ingredients of a good performance management and staff development system are in place and they seem to be working well. However, we did sense that some of these processes were overly-convoluted and heavily focused on data capturing. Our recommendation is that these processes should be kept under review to ensure they are focused and meaningful and that the council does not simply performance monitor but manages performance. Reducing the scope of the Performance Scorecard to a few key indicators would be a positive step.

The peer challenge team would recommend that as the council moves forward on its ambitions and starts delivering the changes it should, in time, consider taking the opportunity to test its progress against external people management standards. This would provide external validation on the health of the organisation as a good employer and an opportunity for the council to celebrate its successes.

3.6 Other specific focus areas

Commercialisation

The council has done an excellent job of getting the commercialisation ethos out into the organisation. Virtually everyone the peer team spoke to mentioned the ambitions around commercialisation and they understood what it meant. This has enthused a lot of staff and they have bought into it with a positive attitude. Staff feel empowered to contribute to it, to suggest ideas for improvement and make changes. It is evident that this has supported cultural change in the organisation to make it more confident and forward looking.

However, the council is very much at the enabling stage of the process and whilst it has done well so far, it needs to start moving to the delivery stage if it is to achieve the level of financial savings it expects to. In moving forward, it should start building a shared understanding of what this programme is intended to deliver in practical terms and start developing the necessary skills among members and staff. At present people are not sure exactly what the end state will be and there seem to be a number of views on what commercialisation will bring. Currently, it means different things to different people.

In building this common understanding the council should also make sure there is a level of understanding and appreciation of the risks this new agenda creates. People need to be aware that all this may lead to a much contracted organisation, requiring radically different ways of doing things, calling for fresh set of skills and competencies among staff and possibly changes to the terms and conditions for employees.

In addition to building a common understanding, the governance arrangements supporting the delivery of the Commercial Enterprise Strategy needs to be robust

and it needs to have appropriate business cases conducted which clearly spell out what contribution the strategy is anticipated to make towards future savings targets in the MTFS.

Transformation

The council has successfully communicated the message of transformation across the organisation and there is evidence that the transformation journey has begun. For example, some service reviews have been carried out, including a review of Information and Communication Technology (ICT), and analysis of data has been done. But at this point in time it is not clear to people where all this is leading and what the expected outcomes will be.

We heard quite a lot about service reviews that are being carried out. However, we were left with the impression that these were done within discrete services and that there was a danger that changes in one service area might have a negative impact on another service area. We would therefore urge you to give greater consideration to the interdependencies of services in the service reviews process by having, for example, multi-disciplinary teams reviewing services under the leadership of a corporate programme board.

In addition, the council should also develop a clearer understanding of how new technology will be used to deliver the transformation programme and step up the deployment of ICT systems to interact, deliver and manage frontline services (e.g. transactional website and corporate Customer Relationship Management [CRM] system). However, it needs to be mindful of the implications of this on the workforce as well as service users, particularly those who may not have access to new technologies.

There are many other councils where new technologies have been successfully used and we would encourage Ashfield DC to learn from them. The industry is now serving the sector in a more sustainable fashion and many productive partnerships exist that add value and capacity to transformation programmes.

Customer service

This is an area where there was limited evidence available for us to make a comprehensive assessment of progress. Nevertheless, we did see some progress particularly around consolidating front-of-house services and the co-location of the Police, Ashfield Homes and the planned relocation of Department for Works and Pensions (DWP) into the council building .

All these are very positive and starts the process of improving access to public services for service users. However, physical co-location will need to be backed up with shared information and integrated ICT systems in order to improve access to all public services for citizens.

In moving forward, the council should build on this successful model to create a single access model of contact for all council services. This is not to say that there

should only be one single access point, but the council should aim to move to a position where citizens are able to access all services from any of the access points around the district. This will mean developing a corporate CRM system which is linked to all other council access points (e.g. New Cross Multi Agency Teams).

In conclusion, the council has the capacity to deliver its change programmes but it needs to make them more realistic and real. This means prioritising activities, developing business cases, putting in place robust delivery plans, and performance managing them. It also means ensuring that the right capacity is in place and that this capacity is focused in the right places at the right time.

4. Next steps

Immediate next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The Local Government Association (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. Mark Edgell, Principal Adviser, is the main contact between your authority and the LGA. His contact details are: Tel 07747 636 910 and Email mark.edgell@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the council assess the impact of the peer challenge and the progress it has 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 council. Our expectation is that it will occur within the next 12-24 months.



Satvinder Rana
Programme Manager

(On behalf of the peer challenge team)