

# Corporate Peer Challenge

## **Sefton Metropolitan Borough Council**

4<sup>th</sup> September – 7<sup>th</sup> September 2018

Feedback Report

# 1. Executive Summary

Sefton Metropolitan Borough Council demonstrates real ambition for Sefton and has a strong track record of partnership working and place leadership. The council continues to demonstrate the drive to work in tandem with the efforts of others – whether they be in Sefton, or in the wider Liverpool city region.

The council and partners engaged with over 3,500 people in developing a new vision for 'Sefton 2030'. The way in which the council has led this has further galvanised the commitment and enthusiasm of partners locally. This has brought about a genuine sense of shared ownership of Sefton 2030 and an increased level of respect for the council. Outside the borough, the council is well respected by colleagues in the city region for the key role it has played and continues to play in establishing and developing city region working.

Whilst doing this, the council is also delivering a significant transformation programme and is becoming increasingly commercial. This is a demanding change programme which impacts on all aspects of the council's work. It is however recognised as essential to the council's financial sustainability and ability to continue to deliver on outcomes for Sefton's communities. One part of this transformation programme is the development of a new delivery model for a number of council services moving from centrally based to locality based working.

With this work being so key to the future of the organisation, a key challenge identified by the peer team is to ensure the council sequences its efforts consistently on the right things at the right time to increase the chances of sustainable delivery. The team also recommends that the council presents members – in particular the cabinet - with routine performance information which gives a clear overarching corporate view of how the council is performing against the number of priorities they are managing.

The council have taken steps to become increasingly commercial and can demonstrate some early successes. At this point on the journey, the council should ensure that the case for commercialisation and the accepted parameters are consistently understood by all. This will ensure the capacity of the organisation stays focussed on the types of commercial activity that are right for Sefton.

Staff and partners speak positively about the strength and visibility of political and organisational leadership at the council. The peer team encourage senior leaders to continue to prioritise visibility during this period of change and especially during the transition to locality based working.

In a period of such significant change, the demands on councillors everywhere are changing and the nature of the role is changing with it. Councils elsewhere have given a significant amount of attention to the role of the '21<sup>st</sup> Century Councillor'. In Sefton the need to consider the role of the modern councillor is even more appropriate given the move to locality based working.

Under this new way of working all local councillors have an increasingly crucial role to play in drawing on the capacity of the community and community groups. Further still, councillors can play a role in helping co-produce new locally tailored solutions alongside the efforts of

local communities. Sefton benefits from very strong relationships between the council, CVS organisation and wider sector. The infrastructure to co-produce solutions more consistently therefore appears ready to capitalise on.

The relationship between the council and the CVS is set out in a 'New Realities' agreement which articulates a series of principles the council and the services it provides will use to support the sector. This is a key part of making Sefton the increasingly 'enabling' council it wishes to become. This is also a sign of the value the council places on the impact the community and community sector can have in Sefton.

In order for the council to become the increasingly 'enabling' council that 'New Realities' represents, whilst continuing to manage a demanding transformation programme and deal with the other ongoing challenges - the council should consider the skills required of staff and members both now and in the future.

An effective organisational development strategy is therefore required to ensure staff and members in Sefton are able to meet the future challenges. Examples of this are in embedding commercial skills and knowledge more widely, developing operational budget management capability, developing co-production and change management skills as well as ensuring a more consistent familiarity with the principles of 'New Realities'.

Consistently throughout the review, the peer team were impressed by the energy, commitment and appetite for change held by the council's workforce. By consistently targeting this energy towards a more sequenced set of priorities the council is well placed to continue on its transformation journey and effectively play its role in achieving the Sefton 2030 vision.

## 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 Council:

1. ***Prioritise the refresh of the core purpose.*** This will help ensure the council's contribution to the delivery of Sefton 2030 by targeting capacity at a carefully sequenced set of key priorities.
2. ***Strengthen corporate performance management.*** The cabinet should receive a comprehensive, corporate performance management report on a quarterly basis. This report should be accessible and allow the cabinet to understand the progress being made by the council against the key priorities. A suitable report should also be made available to scrutiny.
3. ***Refresh and make clear form, function, accountability and pace of delivery for the localities model.*** The team acknowledged the ambition being shown by moving to this new delivery model and endorsed this as the right direction of travel for Sefton.

At this stage it is important the council is clear internally – and with its partners on what this will mean locally.

4. ***Be clear on the council's parameters around commercialisation.*** This requires both officers and members to have a consistent understanding of what commercialisation means for the council as well as the options that can be considered and those which will not. This will allow the council to focus its efforts on the right commercial opportunities for Sefton.
5. ***Accelerate work on a local economic growth strategy alongside efforts in the Liverpool City Region.*** This will help Sefton benefit more from the opportunities presented by the Liverpool City Region and ensure that more schemes are in place ready for future funding opportunities.
6. ***Develop the role of all members in a changing context for local government and a changing model of delivery locally.*** This should reflect the role of all members in their communities and the capacity they can attract to support the efforts of the council. This would mean the council more consistently co-producing solutions with communities and partners.

### 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 Sefton were:

- **Alison Griffin** (Chief Executive - Southend-on-Sea Borough Council);
- **Sir Steve Houghton** (Leader - Barnsley MBC);
- **Cllr Tim Bick** (Leader of the Liberal Democrat Group – Cambridge City Council);
- **Christina Thompson** (Director of Finance and Property – London Borough of Lambeth);
- **Mike Poulter** (Head of Transformation and Business Support – Sunderland City Council);
- **Chris Bradley** (Head of Commercial Development – East Hampshire District and Havant Borough Councils);
- Shadow: **Hannah Lazell** (Political Adviser – LGA); and,
- LGA peer challenge manager: **Dan Archer** (LGA Programme Manager).

## Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. 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 progress locally in delivering the vision for change and the scale of transformation this requires; and,
- The council's approach to commercialisation and the progress made to date.

## 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 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 4 days onsite at Sefton, during which they:

- Spoke to **more than 140 people** including a range of council staff together with councillors and external stakeholders;
- Gathered information and views from **more than 40 meetings** as well as additional research and reading; and,
- Collectively **spent over 300 hours to determine our findings** – the equivalent of one person spending over 8 weeks in Sefton.

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 (4th-7th September 2018). 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 Understanding of the local place and priority setting**

Sefton has a truly unique geography made up of five distinct townships (Southport, Formby, Bootle, Maghull and Crosby). Sefton brings together 22 miles of coastline, impressive sand dunes, industrial areas and dockland. With this diversity comes a range of specific needs which heightens the need for a strong understanding of place.

In Sefton, the council and their partners have a clear and jointly owned vision for Sefton 2030. This was based on both detailed quantitative analysis and extensive qualitative engagement with local stakeholders across Sefton. The analysis around the impacts of welfare reform as well as the efforts taken to engage in detailed analysis at individual ward level with partners across Sefton were examples of good practice highlighted to the peer team.

In arriving at a vision for Sefton 2030, partners managed to engage with more than 3,500 people across Sefton and as a result created a vision which is clearly owned by all partners. As part of this, the efforts to engage with young people from three years old were recognised as particularly good practice.

The council clearly benefits from quality engagement with young people and has taken steps to embed their involvement. These steps have included senior decision makers treating engagement and the young people involved, with a visible and genuine respect. This has been achieved through the visibility of senior decision makers, as well as a clear line of sight between what young people have said and the course of action taken. Young people feeling listened to in this way improves the quality of future engagement. This also then helps this local service to be more commercially effective as young people are increasingly happy to share their insight, having experienced this being valued.

The extensive engagement and qualitative insight underpinning Sefton 2030 is a clear asset for the council, as is the genuine shared ownership of the 2030 vision. In this next stage, clear demonstrable progress against the vision must be communicated consistently and effectively to maintain this level of commitment. The team observed examples where engagement had progressed beyond a 'you said / we did' style consultation into genuine co-production. Given Sefton's very strong relationship with both the CVS and wider community and voluntary sector there is a real opportunity to make co-production the way the council increasingly works. This being in tandem with, not just for, local communities.

A real example where this could result in significant benefits for local residents, is in 'community' services under the new locality model (which includes children's and adult's social care). Under Sefton 2030, the council continues to rightly prioritise prevention and early intervention. With the push to an increasingly localised model of delivery for community services, there is an opportunity to consider what the plan for reducing demand on council and partner services needs to be. In doing this,

mapping and growing the universal and preventative offer specific to the demands in each locality is important. This will require the council to co-ordinate both insight and 'the offer' at a locality level to support this way of working.

The council clearly understands Sefton 'the place' in detail and with this comes an ambitious vision and a detailed transformation programme. To ensure both are delivered and the capacity of the council is targeted at the right places, at the right time, the council would be well served to continue to refresh the core purpose and ensure the delivery of priorities is sequenced appropriately.

## 4.2 Leadership of Place

Relationships between partners in Sefton, the council, the CVS and wider sector are both good and effective. Partners appreciate the council as being open and engaging and recognise instances where the council has taken decisions in the best interests of Sefton which look beyond the interests of the council itself. Partners cited the regular breakfast meetings with the Chief Executive and the open way in which the senior leadership team are visible "*on the ground*" as positive examples of this way of working.

Partner relations with both the CVS organisation and the wider community and voluntary sector were seen as particularly strong. One example being the way in which the council and CVS worked together in de-commissioning community meals which won a LGC award in 2015. The council has signed a 'New Realities' agreement with the CVS which demonstrates a commitment to working closely with the sector. In order to become increasingly 'enabling' as a council, the next challenge is to ensure this is consistently used as 'the norm' across all council services. This can't be achieved by effort alone and an underpinning road map which has clear roles and responsibilities is required.

Partners across the Liverpool City Region acknowledge the "*can do approach*" taken by the council both in the formation and development of the city region. Members and officers are supportive of the Liverpool City Region and the opportunities it presents for Sefton.

The council is clear in its commitment to working in the city region and a challenge is to ensure the rewards from this way of working continue to match that commitment. In particular, it is important that the council is able to accelerate progress on an Economic Growth Programme for Sefton which complements work being done across the city region. This would allow the council to develop a pipeline of schemes to capitalise on future opportunities in the city region.

In recent years the council has changed its approach to school improvement, which has been significantly influenced by the impact of a changing role for councils in school improvement nationally. The council appears to have strong relationships with local primary schools and has a proactive approach for objectively identifying schools causing concern; with support and challenge then applied locally to help bring about change.

The council has identified secondary school outcomes in the south of the borough as a concern, which they have invested local resource into as a local place leader. This has involved using the new levers of accountability when required, bringing in expert advice and guidance and re-building relations with local secondary schools, in particular local academies. The council have also supported the transition to a 'schools improve schools' system by encouraging higher performance schools from elsewhere in the borough to come together with schools elsewhere in the borough. It is important the council continues to take an effective role in the system alongside the efforts of others, to help ensure more local young people get the education they deserve.

Relationships between the Clinical Commissioning Group (CCG) and the council were reported as good to the peer team, with a question remaining about whether they could be made more effective. The council along with the CCG may wish to explore further the opportunities presented from a joint commissioning function as one example of this.

### **4.3 Organisational leadership and governance**

In Sefton, staff and partners recognise strong and visible political and managerial leadership. Staff are positive about the increased visibility of the senior management team in recent years, with relationships between members and officers appearing to be both good and effective. The council have a Local Plan in place, with difficult decisions taken to get to this point.

The cabinet value the 'Cabinet Member Reference Groups' as a mechanism to discuss cross cutting issues and inform the direction of future policy decisions. A challenge is to build on examples shared with the team of engaging with the wider member cohort. This will help build even more ownership of the vision. The council may also wish to consider refreshing scrutiny arrangements to ensure the capacity of scrutiny is targeted towards the key corporate priorities, is widely 'owned' across the council, and is able to add maximum value. This will require a careful balance between the breadth of area scrutiny is able to cover, as well as the depth at which they are able to scrutinise.

As referred to previously, the role of councillors nationally is changing, leading to the role of the modern, '21<sup>st</sup> Century Councillor' being very different to the role of a more traditional councillor. This is particularly the case in Sefton, as the council also embarks on a significant transformation journey which includes the move to a locality based model of service delivery. The council should take stock of what this means and in particular the role all members can play in their localities under this model. This will mean:

- ensuring the constituency fora are effective in giving a strong community voice;
- that accountability is in place for the emerging locality arrangements; and,
- that capacity can be developed further around locally specific needs.

As the council will be required to continue to make difficult decisions, effective working relationships with the local trade unions will remain important. The council can demonstrate a history of this which is echoed by the trade unions. Continuing to have a good, pragmatic relationship with the unions will be particularly important as the council continues to change and becomes increasingly commercial in some areas of activity.

The team were able to discuss commercialisation with a number of staff and members throughout the challenge. During these discussions different understandings of what commercialisation does and doesn't mean for Sefton were communicated. The council should develop clear parameters around what commercialisation means for Sefton and what this might include. A consistent approach to how this is communicated should be developed. The council may also wish to look at the governance arrangements around their commercial activity to ensure it is making the most of this activity whilst maintaining appropriate levels of control.

#### **4.4 Financial planning and viability**

Sefton MBC have successfully managed a 51% reduction in grant funding whilst putting in place a three year budget which is refreshed annually. This Medium Term Financial Plan has a clear link to the key priorities for the Council.

The Cabinet are fully engaged in the budget setting process and have demonstrated the ability to take difficult decisions. The council have also been able to demonstrate a proven track record in financial management, with the additional leadership brought to this by the Chief Executive valued.

The council is now able to demonstrate examples of capital investment being used to manage demand – such as exploring the opportunity for extra care sites locally. A strategy for making the most of council assets is now in place which is in line with the vision. Commercial activity appears considered, planned for and resourced early, an example being the due diligence and progress made with the housing development company. Outside of Sefton and in the city region the council has also been able to ensure a common social care system is in place across the city region and has put in place consistent social care contracts.

In achieving all of this, the council are under no illusions that the funding position remains challenging. Overspend has been seen in children's services and adults services in particular in recent years, which the council must ensure they have a clear understanding of. This will allow the council to either put in place more effective measures to manage this overspend or reassess the financial demands of these services for future budgeting.

A significant amount of transformational activity is currently in train which aims to provide efficiencies and savings which are key to the current and future budget position. In ensuring the scale of transformation intended happens and the

efficiencies and savings required are realised, additional financial management capacity should be released at an operational level.

The council are aware of this and have a planned approach for developing operational financial management capacity internally with clear and consistent roles and expectations. This will release dedicated financial management capability for the more challenging transformation projects being undertaken elsewhere. An opportunity to bring about closer operational financial management may be in looking at how social care systems can be leveraged to provide almost real time performance and budget information directly to operational management. The council have recently taken steps forward in improving the ICT infrastructure which now presents an opportunity here.

One key transformation project referred to throughout this report is the move to a localities based model of service delivery. Whilst this has been prioritised by the council and is key to the budget, the team believe the council should consider in more detail when and how the second phase of efficiencies and savings will be realised. This is particularly the case given the increasing demographic pressures and levels of demand being seen nationally for targeted and specialist council services. When attempting to reduce demand in the face of these factors there is often a time delay between the start of a new preventative approach and a reduction in demand. Without this detailed understanding there is a risk that the council will not realise the remaining efficiencies intended, putting the budget under increased pressure in future years.

On the back of the cuts to grant funding seen before and those still to come, the council is clear that the financial challenges being faced are significant. Clear steps have been taken to plan for this, with robust financial management evident. Like all councils though, the council should ensure a considered, robust and consistently understood contingency plan is in place.

#### **4.5 Capacity to deliver**

The team were consistently impressed with the committed and passionate workforce at the council. The staff the team met with were motivated and have an appetite for change. The team were able to meet with a selection of 'One Council Champions' during the challenge who are a positive force for change which the council is utilising during its transformation journey. The involvement of this group is just one example of staff feeling engaged with, the visibility of senior officers being another and a 'Yammer Hour' where staff can ask the Chief Executive questions directly being a third.

Whilst this appetite for change is in place and should be harnessed, the understanding of current priorities outside of and around the 2030 vision was inconsistent in some cases. Whilst pace is high and this should be commended, the council should "...take a moment to prioritise...". This will help to ensure the capacity of the organisation is sequenced effectively and that all staff are clear on the direction of travel.

One area to do this in particular is in taking stock internally and with partners on the localities model, which the peer team acknowledge as the right direction for Sefton. As mentioned earlier, the council must be clear however on how this will realise the efficiencies intended. Consideration should also be given to the accountability mechanisms which will be put in place around the localities model and the pace required. All of this should be clearly communicated internally and with partners with commonly understood language. A more detailed understanding of the capacity required to then effectively implement the model should also become clear.

The respect that exists between the council, the CVS and wider sector is clearly evident. This is also the case with other partners. Partners compliment the council for their visibility and openness and provide examples of how they have collectively utilised each other's capacity well. One example of this being the way in which the council has improved the way it joins up with partners on outward facing communications. Partners also recognise the way in which the council has demonstrated an openness and willingness to reflect. The Chief Executive asking partners their views on a local 'commissioning academy' was one example given of this. This feedback was taken and resulted in adaptations being made.

Given the shared vision for Sefton 2030 and the extensive transformation programme being managed, the clarification of priorities recommended should be underpinned by a strong corporate performance management approach. Whilst examples of service level performance management were demonstrated, the council recognises the inconsistency of this. A more consistent approach would help ensure all staff are empowered to take ownership of team performance and subsequent corrective action. This should be supplemented by a robust quarterly scorecard on performance and risk. This will further help corporate leadership to have a corporate oversight and give strategic direction. As part of the scrutiny refresh recommended above, the council should also consider how an accessible corporate performance picture is also shared with scrutiny in their role.

In this stage and the next, careful consideration should be given as to the skills and knowledge required of members and the workforce. The council have taken early steps to recruit senior capacity to challenge and guide the journey in this regard which is endorsed.

Whilst staff value the investment in professional development and ICT seen in the last 12 – 18 months, strategic consideration should now be given as to the skills and knowledge the organisation as a whole will need in future. This is particularly the case given the scale and pace of change happening in Sefton. This will require an effective organisational development plan which may include operational financial management, change management, commercial skills, co-production skills as well as consistent knowledge of the 'New Realities' principles.

## 5. Next steps

### Immediate next steps

We appreciate the political and senior managerial leadership will want to reflect on these findings and recommendations 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. Claire Hogan, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Email [claire.hogan@local.gov.uk](mailto:claire.hogan@local.gov.uk). The Principal Adviser will arrange to meet with the Chief Executive in the weeks following this challenge to discuss the offer of support.

In the meantime, we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### Follow up visit

The LGA Corporate 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 demonstrate 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 exact timing of the visit is determined by the Council but the LGA's expectation is that it will occur within the next 18 – 24 months.

### 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 Council will commission their next Peer Challenge before September 2023.