

Corporate Peer Challenge **Stroud District Council**

26 – 29 March 2019

Feedback Report

1. Executive Summary

Stroud District Council (SDC) serves its residents and communities well. Services are generally good and the council has strong performance in a number of areas, most notably its impressive recycling rates. For these reasons customer experience is good and levels of resident and business satisfaction with the council are high.

The council has worked hard to build an effective partnership base, and through this it purposefully contributes to a range of programmes and initiatives to promote healthier and sustainable communities and employment across the district, e.g. the Littlecombe and Brimscombe Port regeneration, the canal restoration plans, social housing delivery and the tenants engagement project. As such the people it serves and the organisations it works with have confidence in the council; this is a strong foundation for success.

The council has a unique political administration, made up of a cooperative alliance of three parties, which in the view of the peer team, operates successfully. The Leader of the Council, the respective leaders of the alliance and indeed those of all political parties across the council work hard and collaboratively to make this work; this is to their collective credit. The peer team were struck by how SDC's dedicated and passionate political leadership is intent on making a tangible difference to support its communities. The Leadership's ambitions for Stroud are well understood by partners who engage with the Council Leader and her drive and energy to promote them is palpable.

However, there needs to be a greater consensus, ownership and promotion of the ambitions and priorities across the council as a whole, as when we spoke with relevant stakeholders, including external partners and staff, we found those ambitions and priorities, especially when it comes to ordering them or describing programmes of work or outcomes being sought, are less well understood. There is a job to be done for the council, therefore, to refresh its vision and clarify its priorities into the medium term, articulating them coherently, ensuring they are evidence based, understood and bought into by staff, members and partners alike. This would help to maximize collaborative internal effort to deliver key priorities and the council's influence and focus in working strategically with external partners for the benefit of Stroud District's communities and the wider county of Gloucestershire. The council recognises this is an important issue to address and there is clearly a strong positive intent to do so.

That intent is equally evident across a range of issues and it will be important the council manages and sequences this well, maintaining its core community and partner strengths while working with purpose towards its improvement goals. It must ensure it has the capacity to do both, but importantly it cannot do everything at once.

One of those core improvement goals is to move towards a more inclusive and empowering council. In essence this centres on a need to modernise and transform its operating model, culture and systems – the capacity needed to address this and the time and resources required should not be underestimated. Importantly SDC has appointed a new Chief Executive and given her a mandate to lead and steer this change and she has set about this with vigour by engaging key stakeholders, most especially the council's workforce, who clearly are on board with and want to be part of a dynamic council. If that

vitality and purpose is to be sustained SDC needs to ensure as a priority, that the Chief Executive is supported in building a strong senior leadership team around her. For a range of reasons that capacity is currently absent and this is a fundamental foundation stone that must be secured as soon as is practicable.

There is a collective will both politically and managerially to embrace change. This now needs to be galvanized, acted upon and seen through. This will require clarity of purpose, not just about establishing clear priorities, but also what the council may stop or reduce doing, as well as fundamental decisions that will need to be made in respect of investment in infrastructure and staffing, in order to effectively deliver on member policy priorities. Given this is essentially the remit and responsibility of the council's senior politicians and senior officers, we suggest that to plan and implement this well, they create dedicated time, in their respective teams and together, to make the most of opportunities for key strategic conversations to take place about the short term and medium term future of the council. This will promote the building of strong political and managerial relationships and a clear sequenced plan of action for the council to progress.

SDC has achieved a relatively strong financial position and this core strength should be recognised. However, there is a sense that in recent years it has, to some extent been using its reserves to arguably avoid difficult financial decisions around service provision, resourcing and investment. There are therefore real opportunities to review and agree upon the council's aims in respect of transformation, for example in terms of: ICT capacity, approaches to digital delivery, utilising the council's investment opportunities to enable the delivery of priorities and enhance financial sustainability, addressing some clear cultural, staffing and reward issues etc. Importantly, the council's financial position enables it to tackle these areas from a position of strength.

The matters referred to above are core issues on the Chief Executive's and her senior officer team's (when appointed), 'to do' list. They must be informed, shaped and ultimately delivered following the strategic conversations previously referred to. To that end, a core 'golden thread' should be developed and constantly reinforced through the establishment of: a refreshed vision, key priorities - which are outlined in the council Corporate Delivery Plan (CDP), a fully costed Medium Term Financial Plan (MTFP) – which aligns with and underpins the CDP and finally clear targets and a strong performance culture to ensure effective delivery.

The 'to do' is important as at present there is a lack of a 'golden thread' and this means the potential that SDC possesses will be limited unless this is addressed. At its core will be the need to review the effectiveness of the council's governance arrangements, especially to ensure its refreshed priorities and potentially challenging decisions referred to above are seen through. For example, it is evident that there is a need for a longer term forward plan for key decisions. This should enable collaboration at an early stage, in producing options and implications for decisions. The council should review the learning from some recent decisions, as we believe there needs to be more emphasis on building political consensus before decision making reports come to members. To enable this, such reports must be of high quality, based on evidence and presented with the full range of options available to members, with a greater opportunity for testing and rigour being given to them. Ultimately, all of the above proposals are intended to help SDC ensure the most effective decisions are made.

It is an exciting time for SDC. It has good services and good partnerships. It has well respected and engaged political leadership and a new Chief Executive who has been universally welcomed. Therefore SDC possesses many of the attributes to take the council to 'the next level', to which it aspires. The peer team's advice is that SDC should take and make the time to do this well. First it should create the necessary senior officer capacity as soon as it can, to support the Chief Executive to drive change. At the same time it should set realistic, short term goals (next 12 months) after which it can then begin to develop a 'bought into' medium term vision and set of coherent priorities that are properly costed and resourced to support effective delivery – this will of course need to be reviewed in the light of the May 2020 election outcome. It will be crucial that the work over the next 12 months paves the way for the longer term work and creates the necessary foundation on which SDC can truly build to achieve its ambitions.

SDC is aware of the challenges set out in this report and there is a clear desire to act upon them. It is equally important that the range of strengths also referred to are recognised and celebrated – there is much that SDC does that is of the highest order. We met members, senior officers and a staff group who are passionate about the district and want to actively shape how the council best operate to serve its residents. In the view of the peer team SDC has the potential to be an exemplar leader of place.

2. Key recommendations

The following are the peer team's key recommendations to the council. Some are key operational issues to address, whilst others are of greater strategic importance but we have set them out, in sequence (especially recommendations 1-4) to help to show the order in which we suggest they would be best implemented.

In the first instance SDC should:

1. Commence its senior office restructure to ensure sufficient strategic capacity is in place at the top of the organisation;
2. Agree its short-term priorities and actions for the period to May 2020;
3. Ensure the integrity of the current IT system. To that end it would be wise to review the progress and suitability of its current plans, capability and capacity in respect of this, and beyond that to confirm that its emerging plans in respect of ICT development and digital delivery fit with its longer term transformation plans;
4. Work with all key stakeholders over the next year to develop a clear vision and priorities for the council aligned to its medium term financial plan, to be agreed in the next iteration of the Corporate Delivery Plan (CDP) and once approved ensure this is communicated effectively to residents, businesses and other partners.

Beyond that, over the medium-term SDC should:

5. Create time, once its senior officer team is appointed, for its political and managerial leadership teams, both informally and formally to have the 'strategic conversations', referred to in this report. This will help develop a strong leadership team and help

- them develop clear priorities and plans to be put in place focussed on SDC's improvement, for the district and the wider county and sub region;
6. Establish effective workforce planning and performance management arrangements so that it has a committed and engaged staff group with clarity in terms of the expectations of them and sufficient capacity to deliver its plans. As part of this it should:
 - review its future staffing arrangements, ensuring strategic fit and the development of a 'one council' ethos
 - develop its core transformation plans and ensure sufficient capacity to enable effective delivery and monitoring. This includes consideration of ICT provision
 - establish appropriate pay and reward arrangements for its staff
 - ensure consistent compliance with, and outcomes arising, from core HR policies are delivered e.g. appraisals
 - ensure consistent oversight, management and compliance with key performance management practices;
 7. Building on its relatively strong financial position, review how its investment and commercial plans could be enhanced. A key focus of this will be to help deliver the council's priorities as well as to sustain its financial viability into the medium term;
 8. Consider reviewing its governance arrangements to ensure better decision making, in order to deliver its revised priorities and plans. As part of this it should:
 - look to develop better collaboration at an early stage in producing policy or service options, taking account of expertise available from members where appropriate, together with ensuring that operational, financial and legal implications of options are effectively understood
 - seek to build greater political consensus before decision making reports come to members, with a greater opportunity for testing and rigour.

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 by you. The peers who delivered the peer challenge at Stroud District Council were:

- Cllr Tom Beattie - Leader, Corby Borough Council
- Cllr Harvey Siggs – Leader, Mendip District Council
- Mel Barrett - Chief Executive, Basingstoke & Deane Borough Council
- Bindu Arjoon – Director , Exeter City Council
- Verna Connolly – Executive Manager, Hastings Borough Council

- Alex Marshall – Peer Placement Coordinator, LGA
- Paul Clarke - LGA Peer Challenge 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 following, which have been addressed within the context of the core components:

- How well SDC is currently meeting customer needs?
- How SDC might make best use of technology in the delivery of efficient and excellent customer services?
- How well does SDC's structure support your vision and delivery of corporate objectives and how you might improve this?
- How can SDC best achieve financial self-sufficiency – including making the most of commercial investment and treasury management? (with an eye on the benefit to the residents and businesses)

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 Stroud District Council, during which they:

- Spoke to more than 107 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 46 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 280 hours to determine their findings – the equivalent of one person spending more than 8 weeks in Stroud.

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 (26th-29th March 2019). 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

SDC, its councillors and staff have a strong sense of place and are actively engaged in their local communities. When they spoke about their respective communities it was with a sense of enthusiasm, pride and a desire to influence positive outcomes. The evidence on the ground supports this, from the engaged and responsive community wardens to the overall ambition of SDC and its partners to build the capacity of communities, helping them become more resilient and looking to deliver developing council ambitions around 'community wealth building'. This is all reflected in the outcomes from the 2018 resident and businesses surveys which showed strong satisfaction with SDC –reflecting a council delivering good services to communities.

However, that sense of drive and determination around localities and wards is not always as strongly reinforced at a district-wide level. In part, the peer team reflected that this could be because:

- the council's priorities, whilst clear in headline are not always clear in practice
- local initiatives can often draw capacity from SDC as a whole and therefore the council finds it difficult to deprioritise and stop doing things
- council priorities and then planned actions to fulfil them are not always underpinned with a sufficiently strong evidence base to make them compelling when it comes to decision making.

As SDC is planning a refresh of its priorities,(currently they are: economy, affordable housing, environment, health and well-being and delivery) we advise that the council build upon those local strengths but to do so with a collective emphasis on the overall needs of the district and the financial sustainability of the council into the medium term. To that end, it will be important that members are actively engaged in this process. We would expect to see that strong local community leadership role for members shining through as this is a real strength at SDC, However, that could be enhanced by engaging members early in district wide priorities, using their knowledge and understanding of their communities to shape and inform them, and ensuring a strategic focus on financial sustainability and the district as a whole rather than on individual wards.

Therefore it will be equally important that SDC and its members ensure a strong evidence base informs and underpins both their priorities and their decision making processes. We would specifically expect that members are well briefed so that in their community leadership role they have a strong knowledge and understanding of key priority issues. Furthermore, this in turn should be reflected within the council so that reports prepared for the relevant council committees are well prepared, evidenced and argued. It would be a useful exercise for the council to review any learning from recent decision making and gauge whether they sufficiently reflect the approach described above.

In developing the refresh of priorities there are real opportunities to utilise the strong partnership base that SDC has worked hard to nurture. An area which could be enhanced through this, is the relationship SDC has with its town and parish councils. This perhaps, understandably is a 'mixed bag' in terms of some of them feeling engaged with and jointly influencing their places with SDC, to others feeling distant and marginalised by the council. Such is the strength of that local community spirit and focus that working more collaboratively and utilising the capacity and potential of towns and parishes is an area worthy of active reflection. This will draw the districts' towns and parishes, and indeed other partners, into a richer engagement with, and refreshing of, SDC's collective partnership ambitions.

From this a clear narrative for the future for the district, the council and its partnerships can be developed, with the rationale for this made stronger and with measures and impact made more explicit. This can then in turn underpin a stronger and more bold communication message, both externally with partners but internally too with staff of a 'one council' approach. This will be important since both partners and staff told us that the council did act to a large extent in service or place based silos at times and that has been limiting its capacity and impact.

4.2 Leadership of Place

As outlined SDC is community focused, it has great partnerships and it is working proactively at a district level to collaboratively improve outcomes. There are many great projects and approaches which illustrate this including the Littlecombe and Brimscombe Port regeneration schemes, the delivery of social housing and the much longer term very ambitious plans for the whole Stroudwater Canal as a key future driver for tourism. Likewise the multi-agency tenants engagement project will have a lasting social impact on the targeted areas and serve as a blueprint for future engagement elsewhere within the district. These are reflective of many more examples which demonstrate the council's ambitions to lead and influence places and communities proactively with others.

The council works hard to create opportunities to get the right partners in the room at the same time. The Local Strategic Partnership (LSP) is a forum championed by all of its stakeholders. Its Chair is highly regarded, the meetings are well attended and the focus on sharing information, plans and activities is warmly welcomed. The LSP is starting to look at themed issues in meetings e.g. on issues related to younger people, and there is the potential, in the view of the peer team, to use this very popular forum to consider how it may further influence and shape both council and joint partnership priorities.

We found many individuals, or service areas within SDC where it was clear that in terms of leading, influencing and shaping places there was significant knowledge and talent. Yet, that talent wasn't always harnessed as effectively as it might be on behalf of the council, its wider partnerships and the district as a whole. Often the learning from different projects or programmes was left untapped within the lead department, reinforcing a silo based approach. Furthermore, through conversations with partners it became clear that they would particularly value

SDC's contribution on a wider footprint than the district; specifically on a county and sub regional level too. As such there is an opportunity for more members and officers to be bolder, more active and to lever the influence SDC has in terms of strategic planning on the broader stage for the ultimate benefit of its residents, businesses and the wider region.

With the new Chief Executive and Leader there is a great opportunity to revisit the potential those many partnerships present for further informal and formal collaboration, such as influencing more purposefully the wider Gloucestershire 2050 ambitions, or indeed simply working more closely with other districts on shared services or joint priorities. We heard time and again there was an open invitation from key partners to discuss such possibilities and importantly a willingness from the Chief Executive and Leader of the Council to follow this up.

As we have described there is evidence of strong engagement with places and communities around key issues, for example on the local plan (consultation was occurring on potential revision to this at the time of our visit) but it was equally clear that some other approaches, notably the approach to introducing car parking charges in some of the market towns, had been less successful. Again, a theme we observed was that SDC did not systematically learn from its less successful plans for place-shaping and it should strengthen this area, including ensuring, a strong evidence base and engagement in respect of them, which in turn will contribute to more effective decisions.

4.3 Organisational leadership and governance

SDC has a purposeful and passionate Council Leader supported by a collaborative political alliance. The drive, energy and enthusiasm that results from this provides a good foundation on which to build. The time, commitment and sheer will to work together to ensure that the political alliance truly leads – which it clearly does, should not be underestimated. Likewise, there is a respectful and constructive political dialogue with all political parties and that is to the credit of all political leaders.

The new Chief Executive has been given a mandate by the political leadership to implement changes and improvement. We heard many times she has 'hit the ground running' and her style and inclusive approach is warmly welcomed by the council's workforce and partners too. The council has been served very well in the past by its officer leadership but now is the right time for the Chief Executive to review the senior team to ensure SDC has the strategic leadership capacity it needs to continue to be successful in the future.

We encourage the council's 'top teams', both politically and managerially to work as a strong and determined leadership group to focus on the core opportunities and challenges that they are aware of and have been raised in this report. It will be important that they address such matters in sequence, since there is an important range of next steps to be managed. For example, the council needs to be clear about what it can and should achieve in the next 12 months (pre 2020 election), and at the same time it should be setting down the medium to longer term

ambitions. To that end it will be important that those key politicians and officers create the space and time for what we referred to as 'strategic conversations', which will be the places where the future plans for SDC are designed and then subsequently tested out with a wider audience of stakeholders so they are owned and credible.

Member and officer relationships within SDC are overall generally positive and respectful. We have highlighted the unique nature of the current political administration and of the need for change e.g. to ensure clear priorities, strategic conversations, refocussing of the council as a whole. In this context it is even more important that members and officers are aware of their respective roles, responsibilities and accountabilities and have a strong sense of political awareness, so that they respond effectively to lead and deliver improvement. Given both the unique political circumstances but also the changes being planned, it would be a good opportunity now to provide training for staff about operating in a political context - we believe this would help SDC enhance that member-officer relationship further.

The Chief Executive has inherited a leadership team that has for a variety of reasons, including retirement, lost the necessary capacity and wherewithal to help her drive the changes she is mandated to and committed to deliver. As outlined addressing that lack of senior capacity now is a first order priority, followed by a more measured but needed review of the overall staffing structure, pay and reward so that these align.

For a period of time the council has been characterised as being, what one stakeholder described to us as a 'steady state' – essentially making incremental changes and responding tactically to circumstances rather than planning strategically in order to lead change. This approach coupled with the lack of capacity referred to, has left the council playing 'catch up' in terms of modernisation. An example of this is the immediate and ongoing need to address its currently creaking and the severely limited ICT capability and capacity. This should be prioritised, as it is an essential building block, if SDC is to realise its plans for the modernisation of processes, systems and importantly is to implement new ways to deliver services, manage demand and deliver modern ways of working for its staff. Importantly SDC has commissioned work to begin to address this and has available to it outline plans to take this forward. It would be prudent for the council to seek some external expertise to review this work to ensure that it is in a position to set out its short, medium and long term priorities.

We heard many times about the ways that service departments respond to the demands and expectations made of them. It is to the credit of the staff who do this, given the lack of effective capacity, infrastructure and currently the apparent cultural barriers which limit working in a 'one council' way. What was refreshing is that all the staff and managers we met with were absolutely supportive of driving deeper and more concerted efforts to work collaboratively, to embrace modern ways and develop a new culture of distributive leadership and accountability. The message is clear - the workforce is ready to embrace change, but this must be done with and through them, and not 'done to them'. That message is being

strongly promoted by the new Chief Executive and it will take time, trust and commitment to see this through.

As the council moves to new and improved ways of working, it clearly needs to review its structures and governance arrangements to ensure they are 'fit for purpose' and future proofed. During our visit we came across several issues that would merit review. Importantly, SDC is well aware that these issues should be tackled, which include:

- reviewing the committee system to gauge how effectively the current way of working operates and especially whether its application in practice enables effective decision making
- developing a longer term forward plan and associated with this, clarity around its approaches to challenge and effective scrutiny to improve decisions, and importantly the quality of reports to underpin this
- supporting the development of Member capacity, through further focused training and development
- reviewing the staffing structure and developing a clear workforce plan to ensure skills and capacity are aligned to the delivery of council priorities
- developing effective mechanisms for staff engagement to promote more effectively the values, behaviours and new ways of working
- putting in place appropriate systems for and application of performance management. The current system could do with improved clarity, purpose, consistent compliance and effective monitoring arrangements
- utilising the existing programme management capacity that is available. The staff undertaking this role are skilled and committed but will benefit from further clarity of role and purpose.

As SDC addresses these matters it will be important that there is effective corporate oversight and practice. The council is aware that important elements of this will require attention, for example: how SDC uses and responds to internal audit recommendations, how it could more effectively involve HR in supporting effective change and good people management practice, how well it manages compliance with standing orders, contract management and procurement practices.

4.4 Financial planning and viability

We found that relative to local government as a whole, SDCs finances are comparatively strong. This is to their credit and through good financial stewardship it has, for example built up a credible level of reserves, which should enable it to help manage key opportunities and challenges in financial terms. As a first principle therefore it is operating from a position of strength.

However, the council knows that it needs to develop and modernise its financial plans and practices in line with its future ambitions. There are things to attend to, for example, in recent times, the council has been utilising reserves, not just as a means of smoothing and managing its budget but, arguably at times as an

alternative to taking difficult decisions. Given that SDC is no longer receiving a Revenue Support Grant from central government, and that it is projecting the need to make further savings into the medium term, it will be important for both the long term financial sustainability of the council, and just as importantly as a means of achieving a sound platform in terms of the funding of ambitions and priorities moving forward, that the council sets a coherent medium term financial plan (MTFP).

Establishing the MTFP and setting appropriate monitoring mechanisms to underpin this is important. On the surface the council's budget position for 2018/19 looked positive at the time of our visit, as the indications were that SDC would deliver a balanced budget and bolster its reserves. However, that is in part because it had underestimated its income. There is room for some improvement in forecasting. This should be addressed as the council, like all others, requires more clarity and certainty in terms of its future financial plans and associated resource management and decision making.

Importantly, the council has appointed a new Head of Finance who is establishing a solid foundation of trust with members by engaging them early and proactively about the current and future financial challenges. He is intent on building more effective financial plans, based upon that clarity of understanding, insight and transparency. As part of this he is preparing the council well in terms of the savings required for its budget 2019/20 and is working effectively with members and senior officers to reach a point where the council's priorities set the financial strategic framework, not the other way around, which was perhaps reflective of the last workforce savings round (currently paused).

As such, the establishment of a coherent MTFP is key, and should be shaped to help SDC deliver its refreshed priorities and Corporate Delivery Plan. Some of the specific spend areas are clearly being addressed e.g. the resetting of the waste contract budget, but it is essential that this and other significant contracts should be monitored effectively into the future to avoid the uncertainties referred to in respect of the 2018/19 budget.

In setting in place this revised strategic financial framework there will be important issues to review so that stakeholders don't just recognise the issues but tackle them as effectively as possible. This is about ensuring a clear and strong accountability framework owned corporately and consistently applied for priorities with key financial implications including:

- Learning lessons from past decisions where projected savings/ income have not been delivered e.g. introducing car parking charges in some market towns
- Recognise that flexibility to manage budgets is good to in allowing the council to seize opportunities as they arise, but this needs to be managed within a controlled environment, e.g. forecasting income more effectively

- Managing SDC's capacity into the future and recognising that key areas e.g. staffing structure, pay and reward, skills and transformation will require financial planning and commitment
- The Head of Finance has made a good start in increasing visibility and transparency around cost of services and options and this should be supported and progressed.

The council is aware that it is at a relatively early stage in terms of its plans for commercialism as a means of leveraging its finances to more effectively deliver its priorities and help it achieve financial sustainability without government grant. In essence it now needs to develop a coherent plan and action in respect of this, which will become a core component of its MTFP. Some suggestions from the peer team are:

- SDC should internally consider what commercialism means to the council in order to develop a strategy as part of its longer term plan – e.g. how it links investment to priorities, place shaping etc.
- In terms of Treasury management – SDC is regarded as being fairly risk averse and commercialisation opportunities that deliver enhanced return and other policy priorities should be positively considered within a controlled environment in relation to risk and reward
- The council should routinely review its income derived from fees and charges
- SDC should ensure members have sufficient financial and performance information on which to make informed decisions and deliver challenge-again the Head of Finance's ground work is really helping with this.

4.5 Capacity to deliver

It is important to emphasise that SDC delivers good value for money services that are in turn valued by residents and businesses. This is a real strength and the council should be proud of the fact that it helps build more resilient communities as an effective leader, partner and influencer of change. The challenges we have highlighted already within this report are the need to maintain such satisfaction through change by meaningfully engaging communities and partners to align SDC's capacity and resources to match the refreshing of its priorities.

As reported the new Chief Executive is looking to drive purposeful change, but she will need to appoint senior officers to support her. The existing capacity in this areas is lacking and indeed the current senior structure does not best reflect the structural and cultural changes that are required. As such she should be encouraged to begin that senior staffing changes and appointments as a first order priority. From that, further changes to staffing and capacity can take place but over a longer time period and with the underpinning drive of a new senior officer team, leading the way.

SDC has a committed and dedicated workforce. It was very clear that they are keen to embrace the change in direction and are welcoming the new ways of engaging them, which is being led by the Chief Executive. As referenced she is starting to work collaboratively to address some of the key concerns gleaned from the recent staff survey, including the need to improve morale through more effective engagement with staff. As part of this, staff told us that attention should be given to key indicators of organisational health, for example not just compliance with appraisals but being seen to act upon the outcomes, both in terms of reward and development but also sanctions and addressing poor performance.

SDC has some good joint arrangements in place with other councils and partners to ensure resilience and capacity, e.g. its shared Building Control arrangements. Likewise it is exploring the potential for more besides, for example in terms of 'One Legal', a cross council legal service. Beyond that it was clear that all of the public sector partners we spoke with were very open to review how they and SDC might in the future benefit from further informal and formal joint working arrangements. What was clear is that they all trusted and welcomed SDC as a partner, and with a new Chief Executive and relatively new Leader there is an 'open door' to consider those potential new ways of working now.

What was very evident to the peer team was the openness and willingness to engage in the learning and development opportunities presented by the peer challenge itself. SDC is seeking to develop the attributes of a 'Learning Organisation', and there is a new resolve to learn, share and innovate with others. This again will be welcomed by partners as there is much to learn from SDC itself and the way that it goes about its business.

4.5.1 Transformation and culture

SDC asked the peer team to comment upon its transformation plans and the culture of the organisation in particular. At various times in this report we have captured a flavour of, and expressed views and suggestions in respect of this. Some further key elements that will be required to do this well are summarised below:

- The council's transformation plans need to be developed and clearly articulated. Future plans need to be developed fully in line with the council's vision, priorities, aspirations and finances
- The ICT capability and capacity professionally and across the organisation is lagging. The commissioned work to support the ICT strategy going forward is worthy of a review and a route map developed to gauge its suitability for transformation as well as day to day service delivery. A clear route map and resource plan for implementation is then needed to implement agreed actions
- The council has capacity in programme and change management and the staff group that carry this out are committed, capable and very keen to support SDC through change. This team need to be anchored and purposefully led by senior management so that they are being visibly supported and empowered

- There is a need to address programme management to ensure any key changes are planned, delivered, monitored and reported to senior management (and members as appropriate) who are critical in resolving any issues and blockages
- Following on from the appointments to the senior officer team, it will be important for the council to establish a strong and resilient staffing structure and ensure its workforce planning arrangements are robust-including in respect of pay and reward
- In line with the above the early signs around staff engagement and cultural change are good and now need to be built upon so there are strong: values, behaviours, accountability, ways of working and a 'one council' ethos at SDC
- SDC should consider the need for additional short-term capacity at director level to drive forward the council's digital and wider transformation programme at pace

At our feedback presentation our final challenge to the council was that given its current position: good services, good partner, relatively strong finances and given its current ambitions for place and for the council SDC really does have the potential to be an exemplar council- so it now needs to act on this.

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. Andy Bates, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: Email andy.bates@local.gov.uk

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 timing of the visit is determined by the council. 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 council will commission their next Peer Challenge before 2024.