Corporate Peer Challenge
Charnwood Borough Council
6 – 8 March 2018
Feedback Report
Executive Summary

Charnwood Borough Council (Charnwood) is serving its community well and is ambitious to improve. It has a strong track record of delivering well run, customer focused services. Over the past decade it has achieved significant positive change and has much to be proud of. There is scope and appetite within Charnwood for further improvement and the Corporate Peer Challenge (CPC) can help the authority to achieve this. The timing and focus of the CPC reflects the Council’s self-awareness and aspirations to be compared with the highest performing councils.

Building on this positive direction of travel, the recent change of Leader has brought renewed energy and scale of ambition. Now is an opportune time to renew the Council’s Vision for the Borough to articulate this. The renewal of the Vision should be conducted in tandem with a review of corporate priorities, in order to align capacity to deliver these ambitions.

Good governance and healthy member – officer relationships are evident within the Council, with the Leader and Chief Executive working well together with high levels of trust. There is an organisation-wide shared understanding of the need to strengthen the culture and operation of Overview and Scrutiny (O&S), reflected by the Council’s proactive commissioning of a review by the Centre for Public Scrutiny (CfPS). Developing an action plan to take forward the CfPS report’s recommendations should now be a priority.

Charnwood is well regarded sub-regionally, with strong and successful local partnership working across the public, private and third sectors. It has a terrific opportunity to establish a leadership role sub-regionally. There is appetite - from partners and from within the Council - for Charnwood ‘to be bold’ and take a more prominent role in shaping and influencing leadership of place at a local and regional level. Articulating a clear strategic sub-regional vision and maximising collaboration opportunities - particularly greater cross-council working - will support the Council achieve this. In doing so, however, it must not lose its primary focus on delivery.

Whilst Charnwood faces financial pressures and future uncertainties, it is in a good position to proactively address them. To do so, it should develop a long term Financial Strategy, which includes a clear plan to bridge the entirety of its funding gap. This Strategy will require integration with all strands of the Council’s transformation and income generation activities and be communicated consistently. This will enable the Council to get ahead of the curve and secure a strong position ahead of future financial challenges.

There is an emerging commercial approach around income generation, with an appetite to broaden this out and explore further opportunities. Developing a clear Commercial Strategy, linked to the Medium Term Financial Strategy (MTFS) and transformation projects, will help establish the Council’s risk tolerance. It will also embed a clear, consistent and well-understood approach to commercial activities across the organisation.

Charnwood is a stable organisation, which presents both opportunities and risks. Shared frustration across councillors, staff and partners regarding the pace of delivery came through strongly as a manifestation of this. The council recognises the need to drive forward service improvement and ensure its readiness for change. Accelerating the pace of this transformation is essential to keep up with the changing external environment. Solid foundations are in place, including established and new transformation and digital change programmes, through which Charnwood has made good headway. These need to be accelerated, integrated within an overall change plan, and aligned to a benefits realisation plan. This will unlock further efficiencies and drive service improvements.

All the building blocks are in place for Charnwood to be able to achieve its ambitions and grasp the tremendous opportunities it faces. To do so, it must accelerate pace across the breadth of its operations and spheres of influence.
1. **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. **Review Vision of place for Charnwood Borough.**
   To ensure the Vision and associated strategies reflect the ambition and direction of travel set by the new Leader.

2. **Articulate a clear strategic sub-regional vision without losing focus on delivery locally.**
   To enable Charnwood to punch its weight and establish a more prominent and influential role in the leadership of place.

3. **Review priorities and realign capacity to support ambition.**
   To ensure there is a read-through between the refreshed Vision, the Council's priorities as set out in the Corporate Plan and Business Plans, and the alignment of resources to deliver these.

4. **Develop a transformational and digital plan that is integrated to further unlock efficiencies and drive service improvements.**
   To facilitate a step change in Charnwood's overall pace of delivery and achievement of outcomes.

5. **Develop a benefits realisation plan, with clear linkages to the MTFS, to reflect efficiency opportunities.**
   To clearly identify and quantify efficiency opportunities to support realisation of savings and more robust financial planning.

6. **Build on the draft Asset Strategy to align to the MTFS, council’s transformation and regeneration agenda.**
   To join up the growth and regeneration agenda, with commercial opportunities and financial forecasting, and ensure that cross-over opportunities are maximised.

7. **Establish risk appetite and strengthen approach to risk management.**
   To provide stronger assurance around risk and identify a risk tolerance level that is right for Charnwood to further its commercial activities.

8. **Articulate a clear plan to meet the entirety of the financial gap ensuring that the council's approach to commercialisation is clear and embedded.**
   To secure a strong position ahead of future financial challenges, with a long term sustainable plan, as alternative to use of reserves.

9. **Embed a consistent performance management approach framework to support delivery.**
   To drive and embed a consistent performance management approach across the Council using the agreed framework to strengthen the link between outcomes and corporate objectives.

10. **Develop an action plan to take forward CfPS report recommendations as a quick win.**
    To strengthen the culture and operation of Overview and Scrutiny to en chase its effectiveness.

11. **And do it all with pace!**
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 Charnwood BC were:

- Wallace Sampson, Chief Executive, Harrogate Borough Council
- Cllr John Cotton, Leader, South Oxfordshire District Council
- Alan Goodrum, Local Government Association Associate
- Ben Lockwood, Director of Finance & Economy, Ashford Borough Council
- Charlotte Burnham, Head of Member Support and Community Partnerships, Sunderland City Council
- Frances Marshall, Local Government Association

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 feedback on innovation in financial management and delivery of growth; readiness for change and scrutiny.

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 3 days onsite at Charnwood, during which they:

- Spoke to more than 90 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 35 meetings, visits to key sites in the area 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 Charnwood.

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 6 – 8 March 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.

3. Feedback

3.1. Understanding of the local place and priority setting

Customer focus is central to how Charnwood operates. Delivering Excellent Services is one of the three themes in its Corporate Plan, and a Customer Excellence Programme is part of its operational delivery. Community engagement is an area of strength – particularly around tenant and voluntary and community sector (VCS) engagement – with the Council described by partners as “excelling at the communities agenda.” External communication is recognised as a key engagement tool and used effectively to engage with communities and stakeholders. The introduction of Charnwood Now and effective use of social media are evidence that the Council is looking for new ways to engage utilising digital platforms.

Regular customer communication – including surveys of residents – ensures the council understands community needs and that this in turn informs priority setting. This feeds through to the Corporate Plan, service developments and transformations (for example customer involvement in mapping digital user journeys). However, approaches to customer service vary across teams, and routes into the council for customers and partners are not always transparent or easy to navigate (for example the management of anti-social behaviour spans three teams). In order to realise customer excellence, the council needs to embed a more consistent organisation-wide approach to customer service.

The Charnwood brand is developing, particularly around the economic growth agenda, with ‘inCharnwood’ recognised as an effective promotional tool for the area. There is an opportunity to build upon this and to develop a strong borough wide place-based identity and brand.

Charnwood has a Vision Statement for the Borough – Charnwood Place 2033 - which underpins the Corporate Plan and feeds through to, and is delivered by, operational Business Plans. However, significant changes have occurred since it was agreed in 2011. These changes include a new Leader, who brings a new energy and scale of ambition to position Charnwood among the best councils as well as changing external environment. Now is, therefore, an opportune time to renew the Council's broader Vision for the borough and associated strategies and plans to deliver this.
Ensuring wide and deep buy-in to the new vision will be critical to translate it into tangible outcomes. The team found insufficient evidence that Charnwood’s corporate priorities are currently embedded throughout the organisation and consistently understood by staff and partners (e.g. a sense that it was not a living document readily translated into action plans). Consideration should be given to communicating priorities more widely amongst councillors, staff and partners, and attention devoted to ensuring they are embedded throughout the organisation. The Council may also want reflect on whether priorities should be developed in conjunction with local partners and how best to involve them in doing this.

As with all councils, Charnwood faces significant new and often external pressures as a result of Government legislation or increasing demand. These new pressures have tended to be absorbed within capacity without reviewing existing priorities. A re-evaluation of Charnwood’s priorities should be carried out in tandem with review of the Council’s Vision, so as to align capacity effectively to deliver on its ambitions and avoid organisational overstretch.

3.2. Leadership of Place

Charnwood is well regarded sub-regionally and has established a successful track record as a good enabler in collaboration with key partners to achieve shared goals (for example University, College, Enterprise Zone, Charnwood Together, Business Improvement District, Local Enterprise Partnership, VCS etc.). The Loughborough University Science and Enterprise Park is a prime example of this, working with the University, LEP and Leicestershire County Council (LCC) to leverage in funding, deliver infrastructure and create jobs.

Joint working takes a variety of forms, including formal collaboration through partnership structures such as Charnwood Together and the Business Improvement District (BID), and co-location and the development of joint Customer Service Centre with the Department for Work and Pensions (Job Centre Plus) and the Police. More informal arrangements have been developed in response to specific need, such as temporarily sharing legal services support with North West Leicestershire. There is, however, frustration among partners regarding the gradual pace of delivery.

The appointment of a new Leader who has an outward focus and desire to forge a strong sense of place provides a terrific opportunity for Charnwood to take a leadership role in what could be a very dynamic sub-region. There is appetite – from partners and within the Council – for Charnwood “to be bold” by setting a clear direction at an accelerated pace. The team were told by some partners that it was not always clear to them that the Council was setting this agenda. Consideration should be given to how Charnwood leverages its geographical position, population size and growth aspirations to establish a stronger leadership role, and to ways of maximising the opportunities for collaboration at a local and sub-regional level. There are good examples of joint working with other local councils (for example Harborough Contact Centre, Strategic Growth Plan to 2050). However there are untapped benefits to be gained – such as economies of scale, resilience, shared learning - from further engagement with Leicestershire County Council and more systematic joint working with neighbouring councils including potentially across sub-regional boundaries.

Whilst it is understandably disappointing that discussions with Central Government regarding a Combined Authority for Leicestershire have stalled, the Council now needs to articulate a clear strategic sub-regional vision to establish a more prominent and influential role in the leadership of place. This will help establish a strong presence for Charnwood and re-energise the wider devolution debate. In doing so, however, it is important Charnwood does not lose its primary focus on delivery locally.

The Council has a strong focus on economic growth, which is articulated in the new Economic Development Strategy and through the Local Plan (adopted in 2015). This is supported by a range of partnership and delivery frameworks (for example the Economy and Skills Group, Enterprise
Local MTFS will assess staff, manner of Charnwood’s efficiencies. Charnwood has successfully played a proactive role in allocating land for a number of major urban extension sites (for example West of Loughborough, Thurlestone and Syston). However, like many councils, finding ways to unlock and subsequently develop key sites will be a challenge going forward. This is where the team believe the Council needs to focus its efforts in order to support its growth ambitions.

3.3. Financial planning and viability

The Council has sound financial governance processes in place through its Medium Term Financial Strategy (MTFS) which is reviewed annually and scrutinised by members. The Council has sought to address a pattern of regular underspend by making improvements in budget forecasting and accountability (such as the Star Chamber). Frustrations, however, remain amongst councillors regarding imprecise budgeting and regular underspend. A continued focus on tightening up budget forecasting to support better forward planning is important to maintain confidence in financial budgeting and forecasts, and embedded a culture of commercialism within the Council’s financial management.

Charnwood has an economy that is producing wealth and creating jobs (ranked 34th in the country in recent research published by Grant Thornton). As with all public services, there are further challenges ahead which will test its financial resilience and this will include the need for further savings to be made. It has a 2018/19 budget gap of £1.4 million - closing to £0.2 million by 2020/21 - and uncertainty in terms of future finances. Reserves have been used to establish a balanced budget in 2018/19, but this is not sustainable in the long term.

Charnwood has a great opportunity to ‘get ahead of the curve’ and secure a strong position ahead of future financial challenges. To do so, it must develop a long term Financial Strategy, which includes a clear plan to bridge the entirety of the funding gap, and ensure that the plan is communicated consistently through the management team and councillors.

Charnwood recognises this and is taking steps to address the budget gap (e.g. Strategic Efficiencies Strategy Schedule and exploring income generation). However, the peer team believe that more work is required to strengthen the plan and that clarity and consistency of messages could be improved. The MTFS is not clearly linked to the transformation and income generation activities; the scale of the challenge is not clearly articulated, and the link between the Efficiencies Schedule and MTFS forecast could be made clearer.

There is an opportunity to more effectively use the MTFS as a vehicle to communicate Charnwood’s strategy for managing emerging budget pressures and developing commensurate commercial and transformation activities. Strengthening the Council’s financial management in this manner will support Charnwood’s commercial aspirations by transmitting a positive message to staff, councillors, partners and investors. It will also ground future business plans and risk assessments for commercial activities within a clear understanding of costs.

An emerging commercial approach around income generation is evident, through: reviewing fees and charges, seeking to identify new sources of income, and developing a new Asset Management Strategy. There is also an appetite to explore further commercial opportunities. Thus far these activities have been overseen and supported at a strategic level, however not necessarily driven by a clear organisational-wide understanding of what commercialisation means for Charnwood. It is important that all commercial activity continues to be coordinated and led at a strategic level. This will ensure that it is founded on a shared and politically agreed understanding of what commercialism means for Charnwood. Developing a clear Commercial Strategy linked to the MTFS, Asset Strategy and transformation projects will support this development and help establish
the Council’s ambition and risk appetite. The Commercial Strategy can form the framework through which the Council consider the risks of future proposals and identifies whether they fit with Charnwood’s risk appetite.

3.4. Organisational leadership and governance

Healthy member and officer relationships are evident, underpinned by regular political oversight mechanisms (for example one to ones between Cabinet Members and Head of Service, regular member briefings, O&S). The Leader and Chief Executive work particularly well together, with strong levels of trust. The strengths of all of these various relationships provide a solid foundation for Charnwood to take a stronger and more outward-facing leadership role in the local area.

There is a shared understanding of the need to strengthen the Overview and Scrutiny arrangements to ensure they are proportionate, fit for purpose and add value to the organisation. This came through almost universally in all our conversations. Charnwood’s proactive commissioning of a review by the CfPS indicates the Council is aware of this issue and ready to improve. The CfPS’s overall findings are shared by the peer team; that strengthening the culture and operation of scrutiny will improve its efficacy. The CfPS’s report provides a useful route map for achieving this. Charnwood should now develop an action plan for delivering the report’s recommendations. Site visits to other councils to explore how O&S operates in different authorities could positively inform Charnwood’s approach.

There is a positive organisational culture in Charnwood, which is reflected in a workforce that are “proud” to work for the Council and believe it to be a “nice” place to work. The visible leadership of the Corporate Management Team (CMT) is recognised by staff. Internal communications employ a variety of channels, with staff groups providing a voice for employees (e.g. emails, One Charnwood newsletters, staff forums, team meetings, staff representatives on transformation programme boards).

There are good examples of cross-organisational project working at a service level resulting in joined up service delivery – for example Loughborough Fair. However this cross-cutting approach is not consistent across all Charnwood’s operations, and is compounded by an often process-driven approach that can reduce the impact and speed of delivery (for example Anti-Social Behaviour spans three teams and multiple IT platforms). The team would encourage steps being taken to foster greater cross-council working - including with co-located partners - to drive service improvements and make maximum use of capacity and skills.

Accelerating the speed of decision making will be critical to driving improved future delivery. This is universally recognised by the Council’s staff and partners who expressed a shared frustration that it can take time to get things done (for example, joined up support for customers, process driven). It is important for the Senior Management Team (SMT) to be more visible in accelerating the pace of change to establish ownership and inject momentum.

The Council is well aware that determining its own appetite for risk will be critical to progressing its commercial ambitions. Charnwood’s current Strategic Risk Register contains only three risks, with no direct linkages to Operational Risk Registers. A more detailed approach to identification, monitoring and management of risk will strengthen the Council’s approach, provide stronger risk assurance, and help identify a risk tolerance that is right for Charnwood.
3.5. Capacity to deliver

Charnwood have a committed, motivated and stable workforce, with sufficient organisation capacity to deliver its ambitions. It operates a good mixed economy service model, reflected in resident satisfaction. There is evidence of the Council bringing in additional skills and resources as required - e.g. Homelessness Act - as well as making good use additional means to support delivery – e.g. investing in councillors’ skills including a healthy development budget and Member Development Charter accreditation by East Midlands Councils. It actively seeks to enable and build resilience within partners that helps to deliver some local services (e.g. VCS). It effectively works with partners to leverage in resources and funding to deliver jointly, such as with the BID, University, LEP, LCC. There is potential to develop this approach further, particularly around shared service opportunities with other local councils. This will further build capacity and enhance resilience.

A new 2017 – 2020 People Strategy was recently approved, setting out the Council’s strategic plan for developing its workforce to meet the aims of the Corporate Plan. Whilst there is a performance management framework, it does not appear well embedded with a clear link between corporate priorities/targets and individual’s objectives (i.e. SMT / CMT). Going forward, the Council should use the People Strategy to drive and embed a consistent performance management approach across the Council using the agreed performance management framework which will strengthen the link between outcomes and corporate objectives.

To keep up with the changing environment for local government and avoid organisational overstretch, capacity and resource distribution should be regularly reviewed to ensure they align with current priorities and addresses new pressures. Reviews should be coordinated with the earlier recommendation to refresh the Council’s vision. This will ensure Charnwood delivers its newly articulated Vision, and enable it to respond flexibility and swiftly to changing needs and situations.

The Council’s commitment to continuous organisational improvement and transformation is evident by a range of established and new projects, through which it has made headway in developing a transformational and digital agenda (for example Customer Service Excellence Programme, accommodation rationalisation, Asset Management Strategy, Online Customer Experience). However, there is scope to unlock further efficiencies and drive service improvements through exploring both the customer-facing aspects of services, and also internal process improvements (e.g. rationalising IT systems and process re-engineering) and seeking to deliver these through a more integrated transformation plan. Developing a plan to realise the benefits of efficiency improvements with clear linkages to the MTFS will bring a stronger focus on financial savings opportunities and support more robust financial planning.

Currently change projects do not appear to form part of a cohesive vision of a future operating model or be based on a plan of how to achieve it. Charnwood would benefit from bringing change projects into an integrated programme, with links to policy development - e.g. Asset Management, Treasury Management, Commercialism, MTFS etc. This will ensure that cross-over opportunities are maximised, corporate capacity is aligned, inter-dependencies are identified, and risk management is addressed. Such considerations are beginning to be dealt with through governance at the Programme Board level, however there is further work to do. Similarly, whilst there is evidence of good practice in project and programme management (e.g. Excellence Board, Prince 2 Light), there is an opportunity to develop a single corporate programme management approach. This will strengthen delivery through bringing all transformation activity into a single structure.

Accelerating, expanding and integrating the transformation and digital agenda will be key to making a step-change in Charnwood’s overall pace of delivery, and therefore realising its wider ambitions.
4. **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. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: Mark.Edgell@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 March 2023.