

Corporate Peer Challenge

Stratford-upon-Avon District Council

14th to 16th March 2017

Feedback Report

1. Executive Summary

In Stratford-on-Avon District Council (SADC) the peer challenge team found a well-run council with a clear understanding of its place, strong finances and high customer satisfaction with the council's day to day services.

We identified no major problems and generally everything seemed satisfactory. But we also felt being satisfactory is probably not where the council's ambitions lie. Given the strong potential the council has, it could achieve much more by taking a more ambitious longer term and more strategic approach.

The Council is operating in a complex geography. The district covers a large area in the county of Warwickshire, has over one hundred town and parish councils and shares boundaries with a range of other local authority areas outside the county. It is also operating in a network of partnership relationships which impact on the district but are not coterminous with each other. The Council has recognised that it needs to be more outward facing and engage differently with its partners and this change in approach has been recognised by those partners. Many are positive about their relationship with the council, though some are more critical. There is a strong consistent message from all partners that the council should build upon its new approach. There is a need to engage partners more consistently on issues at an earlier stage and to understand issues from their perspective so both can work together to achieve a common purpose. The Council should continue to influence strategy in the wider region via the Local Strategic Partnership and West Midlands Combined Authority (WMCA).

The Council has some corporate objectives that appear well understood but lacks a coherent narrative that tells the story of the council's ambitions for the district into the longer term. This stronger narrative would help partners understand the council's priorities more clearly and would also enable the council to focus its resources on the partnerships and relationships that are most important in achieving that vision.

We found strong political and managerial leadership in place.

The new management structure appears to be working well, with positive feedback from staff and managers about the more open and transparent style of working. Staff and management morale is high and there is a general willingness to embrace change. The council should review whether it has the right skills and capacity in the right areas to support its ambitions. New skills and ways of working are needed in a more complex environment. This could be because of scale, as in the case with new housing sites which are being developed e.g. at Long Marston and Gaydon or because new ways of working require different experience and skills, for example the more commercial approach that will be needed to make the potential housing company successful. The council should develop an organisational development strategy and workforce plan which recognises this, in order to meet the needs of existing staff and to recruit the right people for the future.

The Council's governance structures are designed to engage a wide group of members. Members are also working in new ways and in new partnership arrangements and the

council should make sure members have appropriate support to lead the future direction of the council and the district.

We saw examples of constructive and healthy debate in the cabinet and evidence of the scrutiny function contributing to wider outcomes. The council should build on this.

The Leadership protocol is helpful in setting out the roles of senior officers and members. The planned review of the members' code of conduct also provides a timely opportunity to ensure all members are aware of these differences and are upholding high standards of conduct.

The Council is currently in a strong financial position with reserves which have been built up enabling the council to manage its financial pressures into the future. This means it is in a very strong position to transform the way it operates and to ensure those reserves are not just spent, but invested wisely. If used well they could bring in the skills and capacity needed to support transformation and to drive future income.

The Council already has a Strategic Review underway of how it does business and will operate going forward. It is critical that the council make the most of this opportunity. There appears to be a mixed sense of pace and scale of ambition among elected members that needs to be reconciled. If the council decides its future direction, scale of ambition and pace of change early, it will be much more likely to make best use of the reserves available. There is a risk that because there is no immediate financial crisis on the horizon, review timescales will drift as officers and members will not have a sense of urgency. This would be a wasted opportunity and we would encourage the council to have ambition and necessary pace.

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. Develop a coherent narrative of place and your ambitions:

Bits of this already exist in a variety of places but it needs bringing together as a coherent vision for the long term future of the district. This will enable all members and managers to articulate that narrative consistently both internally and with external partners.

2. Use the narrative to place shape more effectively with partners:

This stronger narrative would help partners understand the council's priorities more clearly and would also enable the council to focus its resources on the partnerships and relationships that are most important in achieving that vision.

Work with partners to understand what they are trying to achieve and engaging with them on issues at an earlier stage to make the most of the opportunities for joint working.

3. Make sure members have appropriate support to lead the future direction of the council and the district:

Members play various roles not just as ward representatives, Cabinet or scrutiny members but also in external partnerships and leadership in the wider community.

There should be appropriate development support for all of these roles. The move to four yearly elections means there could be significant turnover all at one time which may need planning for.

4. Review support for scrutiny:

Good scrutiny can enhance understanding of complex agendas such as health and social care and help the council decide how best to influence them.

5. Make sure the Strategic Review happens at pace and is aligned to the MTFP:

People are moving at varying pace and they need to be aligned better. Decide future direction, scale of ambition and pace of change early so you can make best use of the reserves available.

6. Update your reserves strategy and appetite for risk in the context of the Strategic Review:

The ambition of your review may change your risk profile and should inform your future budget strategy particularly how to maximise the return on your reserves.

7. Implement the required skills and capacity including an OD and Workforce strategy:

New skills and ways of working are needed in a more complex environment. The strategy should look at the development needs of existing staff as well as assessing skills knowledge and capacity gaps for the future.

8. Member champion for Town and Parish councils:

Consider nomination of an elected member to act as the champion for and conduit with all Town and Parish councils to ensure their views are incorporated in to all place making decisions.

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 Stratford-upon-Avon District Council were:

- Antoinette Jackson – Chief Executive, Cambridge City Council
- Cllr Tony Jackson, Executive Member, East Hertfordshire District Council
- Stephen Hill, Strategic Director, Dorset Councils Partnership

- Joanne Wagstaffe, Director of Finance, Watford BC and Three Rivers DC
- Peter Rentell – LGA Peer Challenge Manager
- Patrick Ransom – LGA National Graduate, Westminster City Council

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 provide a critical friend review of your Corporate Strategic review looking at short and medium to longer term objectives and how 'new ways of working' can be integrated. Also to review available resources to deliver future objectives following approval of the Budget.

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 Stratford-on-Avon District Council, 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 and additional research and reading.
- Collectively spent more than 175 hours to determine their findings – the equivalent of one person spending nearly 5 weeks in Stratford-upon-Avon District Council.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (14th to 16th March 2017). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Stratford-on-Avon District Council (SADC) has a well-articulated and succinct Corporate Strategy that sets out its objectives for the district through to 2019. The council recognises that its key challenges are to protect the unique character of the district, support local businesses and provide support for an ageing population and to ensure the council continues to deliver improvements in securing value for money services. These objectives reflect the relevant issues faced within the district. Most people we met were aware of the corporate priorities and the role they play in achieving them.

There is high satisfaction from residents with service delivery across the district and we saw evidence of informed and purposeful consultation and engagement. The Council has embarked upon more strategic stakeholder consultation to inform future decisions, as an example the National Farmers Union has a significant presence within the district but previously had no meaningful connection with the Council. There is scope to further the use of customer insight and data to inform local priorities and service improvements so that they are informed by evidence and analysis as well as engagement and consultation.

Several stakeholders told us that although the Council undertakes consultation on major issues, such as the local plan, it could do more to continue the dialogue so that residents and partners are informed at key stages and better able to understand the council's actions. The Council should be applauded for getting their Core Plan adopted which will help to shape the area. The Council is operating in a complex geography. The district covers a large area in the county of Warwickshire, has over one hundred town and parish councils and shares boundaries with a range of other local authority areas outside the county.

It is also operating in a network of partnership relationships which impact on the district but are not co-terminus with each other. The Council has recognised that it needs to be more outward facing and engage differently with its partners and this change in approach has been recognised by those partners. The majority are positive about their relationship with the council. There is a strong consistent message from all partners that the council should build upon its new approach.

There is a need to engage partners more consistently on issues at an earlier stage and to understand issues from their perspective so both can work together to achieve a common purpose based on principles of collaboration and co-creation. The Council should continue to influence strategy in the wider region via the Local Strategic Partnership (LEP) and West Midlands Combined Authority (WMCA) with particular emphasis around growth and infrastructure. The Council has an influential role in both forums through active attendance at meetings and we would encourage Stratford to develop 'shovel-ready' projects in readiness to respond at short notice to opportunities that arise, but also to play a more strategic role in

shaping future priorities to meet the needs of the district and wider sub-region. The Council need to view the LEP as more than just a funding organisation.

Whilst the Council has some corporate objectives that appear well understood there is a lack of a coherent narrative that tells the story of the council's ambitions for the district into the longer term. Along with the Corporate Strategy 2015-2019, the adopted Core Strategy is the closest that the Council has come to describing the overall vision of the District. This stronger narrative would help partners understand the council's priorities more clearly and would also enable the council to focus its resources on the partnerships and relationships that are most important in achieving that vision of place. To support this we feel that a review and refresh of both internal and external communication channels will underpin the achievement of the vision.

4.2 Leadership of Place

The Council has recognised that it needs to do more to engage externally in a more coherent and consistent manner. At an operational level there appears to be good co-ordination and working with partners, especially the voluntary sector and day to day contract management with Everyone Active (leisure provider). A number of service managers work well with strategic partners in Waste, Community Safety and with the Voluntary Sector.

SADC is recognised as playing a major role in the success of Shakespeare's England and a partner described them as "exceptionally supportive" at both member and senior officer level. This Destination Management Organisation (DMO) is recognised by Visit England as one of the top performing DMO's in the country.

Although at the early stages of implementation the Council seems to be at the forefront of engagement with the WMCA as a non-constituent member and articulates its priorities well at meetings; though clearly the focus of Devolution is at the metropolitan areas. However, the strategic co-ordination is not yet in place with some partner organisations; for example securing better value and strategic outcomes from the contract with SLM and working closer with Orbit (the LSVT registered provider).

Town and Parish Councils generally appear to have a good working relationship with officers, however, there is a need for members to strengthen these working relationships. All cabinet members need to be supported in their role as influencers in place making with partners. This will help members to put more energy in to priority partnerships to optimise opportunities and efficiencies.

Generally, the Council may reflect on how better it can work within a complex multi-agency environment and in particular making the best use of the skills of all cabinet members. As an example there is a need to develop a wider understanding and appreciation of how the local health issues play in to the wider complex health landscape. There is currently a gap in this knowledge.

4.3 Organisational leadership and governance

We found strong and positive officer and member working relationships and evidence of effective leadership across the organisation despite austerity measures. In particular, the Executive Directors are clearly demonstrating 'leadership of place' and are widely respected across the organisation and with external partners. They act as ambassadors for the Council and staff told us they felt empowered under their leadership. Senior officers are open to building relationships with the local press who in turn consider the relationship with the council is good at both political and officer level and will facilitate enhanced external communications.

Governance structures are designed to engage a wide group of members and this in turn creates an environment that allows a frank and open exchange of views in a constructive manner. We found evidence that Scrutiny has influenced cabinet decisions, such as with the Shared Services review and exploration of the establishment of a Housing Company. We note that work has recently been undertaken to strengthen the scrutiny function and suggest this is monitored on a regular basis.

A Leadership Protocol has been developed to ensure that officers and members fully appreciate their respective roles and responsibilities in working well together without compromising each other. In addition, the planned review of the members' code of conduct provides a timely opportunity to ensure that all members are consistently upholding high standards of conduct. This is vitally important given the results from the staff survey in 2015 that indicated a general issue with level of trust and confidence in councillors.

We also evidenced a clear passion for the place and mutual respect between officers and members. Staff are loyal, committed and highly motivated to deliver good quality services and there is a 'family feel' to the organisation, providing a very supportive environment during challenging times with a 'can do' attitude.

The Council has identified a corporate ambition that it wishes to play an influential role in shaping the health agenda and in influencing infrastructure delivery across the district and beyond. These are complex landscapes and committee members might benefit from further support to assist them in more forensic analysis in these emerging areas.

The Council has a developing organisational culture with staff at all levels starting to reflect new behaviours and values. However, the changing nature of local government and the increased focus on growth and commercialism will require different skills and competencies going forward so leadership development programmes and succession management will be a critical area of consideration. This will also ensure that all staff are fully signed up to a dynamic pace of change through a resilient workforce with clear opportunities to be more creative and take more calculated risks. There may also be a need to bring new skills and experience into the Council given changing agendas. Some members of staff also reported that training and development opportunities were limited.

4.4 Financial planning and viability

The Council is currently in a strong financial position relative to many other councils with a healthy level of financial reserve (£8m including £2m as prudent level of resource). The Council has taken actions in the past to reduce its revenue operating costs including reducing the number of Members, entering the waste collection partnership, contracting out leisure centres and transferring its housing stock. We also acknowledge the shared service arrangement with Warwick District Council for business rates.

The Council maintains a rolling five year Medium Term Financial Plan (MTFP) updated annually. The council is currently debt free and has a relatively modest capital programme. There is an option to borrow up to £10m for strategic purposes and whilst there are no immediate plans for this fund at the present time the Strategic Review has identified 22 emerging projects which may require support.

There are unqualified audit opinions to the accounts and a robust budget planning process established. The Corporate Strategy frames the MTFP, however, the healthy financial position does not provide an immediate challenge and with no 'burning platform' this could lead to a lack of urgency. There needs to be a coherent and well-articulated direction and action plan.

It appears that the Council's intention is to use its revenue reserves to support the revenue budget in the short term, whilst adjustments are identified and implemented via the Strategic Review programme. Aligning the timing of reserve draw down and revenue cost reductions is critical and, therefore, the pace of change must be agreed within Cabinet.

The peer team did query whether the Strategic Review was ambitious enough to deliver longer term financial sustainability rather than short term financial savings. There is a risk of drift within the change programme, thereby, losing the opportunity to make the best use of available reserves to make a transformational difference. Underlying underspends also need to be considered as part of the Strategic Review process as they potentially mean decisions are being taken which reduce service provision or staff resource that didn't need to be taken.

Nevertheless, the Council might alternatively consider investing reserves to achieve revenue budget net cost reductions and bring benefit to the community aimed at achieving the vision for the district. The Council has agreed the ability to borrow funding.

Commercialisation and the need to adopt a more entrepreneurial approach will need to become a more important facet of the council's financial strategy. Work will be required to articulate exactly what this means to staff and what is expected of them. There is a growing body of practice and examples from across the public sector that can inform the debate, including a range of information and case studies on the LGA website at: <http://www.local.gov.uk/commercialisation>.

4.5 Capacity to deliver and resources

The Council has financial reserves available to secure the skills and resources that it needs to implement its actions, such as 'shovel-ready' projects, introduction of agile working, the Strategic Review programme or key housing development sites. Working with partners and key stakeholders the Council is well placed to find synergies and direct multi-agency skills and resources to achieve the vision for the district.

The workforce recognise the need for change at pace and are ready to move to action provided direction is clear and members are aligned. There is good staff morale with high retention and low sickness absence. We also found good cross-council working, however, staff resilience must be a key consideration going forward. To underpin this the Council need to implement an Organisational Development strategy and Workforce Plan to meet the needs of current and future staff. This will need to address recruitment, retention and succession planning.

The Council recognises the value and necessity of leveraging external funding to resource projects that help to deliver their objectives for the district. Examples are Venture House business centre for people starting up a business and Long Marston garden village to provide 3,500 homes. It also appreciates that rather than relying on Warwickshire County Council investment team for economic development support it needs to supplement their in-house team so that it can be more focused on supporting local businesses. This should also include the development of business cases for relevant projects which may attract funding from the LEP, for example applying Growing Places funding to help unlock the long dormant Co-operative site in Studley.

SADC is exploring the development of a housing investment company to provide a vehicle for generating an income stream that also has the potential to help address the challenge of providing affordable housing within the district. Many other local authorities embarking on this type of venture have recognised that the skills required for operating such organisation's need to be brought in from outside the authority and the council will need to address this.

There is an opportunity to leverage further capacity and efficiencies from existing service delivery partners, such as Everyone Active and Orbit, to achieve the future objectives.

There does not appear to be an overarching programme management approach, or a structure in place to take an overview of all corporate projects from project initiation, business case through to monitoring successful delivery. The Council will need to ensure that arrangements are put into place to enable the linkages, sequencing and inter-dependencies between the various projects and activity to be clear. Robust monitoring and accountability will need to be a key feature of the Council's programme governance to ensure the contribution to the budget strategy. Such an approach is necessary to consider the linkage of Work Streams in the Strategic Review, such as asset rationalisation with agile working.

There are many positive things happening within the council and we would urge you to ensure you celebrate this success both internally and externally. This will impact positively on staff morale and ensure the buy-in to meet the future challenges.

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. Helen Murray Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Email helen.murray@local.gov.uk Mobile No. 07884 312235.

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.