

Corporate Peer Challenge Staffordshire County Council

17 -20 September 2018

Feedback Report

1. Executive Summary

This is an ambitious County Council with a good understanding of the communities that it is working for and a clear sense of the current and future challenges it is facing. There is a need to make some difficult decisions, but the Council is prepared for this and is keen to remain aspirational for its citizens.

The Council also recognises that the workforce is its greatest asset and the Leader, Cabinet and the Chief Executive are providing the leadership, and want to develop the organisational culture, that will enable staff to deliver better outcomes. For their part, staff want to work for the Council, are enthusiastic about what they do and remain positive about the future.

The development, agreement and delivery of the Medium Term Financial Strategy is a significant challenge facing Staffordshire County Council. The Council has started this process earlier than in previous years and engaged well with senior managers across the organisation and there is a good understanding of the scale of this challenge both internally and externally across partners. The Council will need to review and test the assumptions it has made, the savings proposals it has identified and the calculations provided, to reassure itself and members that this is a deliverable financial strategy.

The delivery of the children's services transformation programme is another key priority and the Council needs to ensure that there is appropriate corporate support to drive forward this programme at the pace required. In parallel, the Council must address the pressing needs around a growing demand for these services and the recruitment and retention issues that exist for children's social workers.

Many partners are supportive of the Council and want to work with you and be part of the solution, this is a real opportunity to develop further. Continuing to engage with these partners and doing so in a meaningful way will be critical in delivering the vision and priorities the Council has set out for its communities.

There is a tendency to overcomplicate the strategies, plans and reports that the Council produces. This sometimes provides a narrative that is not as clear and transparent as it could be for partners, residents and indeed the organisation and its staff. There are also a lot of priorities. There is a real opportunity, especially given the difficult spending decisions that need to be made, to rationalise these and ensure staff, partners and residents understand the vision, focus and direction of the Council.

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. **To ensure that your core capacity is focused on the challenges facing children's services** – including the urgent implementation of the children's services transformation programme.
2. **To thoroughly review and stress test the Medium Term Financial Strategy before final approval** – this should focus on the financial assumptions you have made; the key risks identified; the key priorities; and the reserves, balances and debt of the organisation. Given the organisational dependency on the MTFS it is crucial that this is undertaken as soon as possible.
3. **To review the presentation and clarity of financial information and how this can be tailored for internal and external audiences.**
4. **To continue to develop a pipeline of new savings proposals** - including defined plans for the Community and Digital First and the commercial use of Council assets given the importance of their relationship to the MTFS.
5. **To develop costed implementation plans for all savings proposals** - clearly identifying risks and implementing a process for monitoring delivery. This is especially important where the savings are predicated on delivering change and transformation programmes.
6. **To develop a more focused narrative that sets out the Councils direction of travel and defines the core business** – articulate explicitly the operating model and where the Council will lead, collaborate or enable to ensure that partners and residents are able to play a full role in working with the Council.
7. **To review the existing performance management framework** – ensuring the Council has timely and relevant data and information and can use this to track and monitor progress of key priorities within the strategic plan, highlighting key milestones and identifying and taking corrective action if needed. This will ensure a continued focus on driving improvement, evidencing value for money and assessment of impacts.
8. **To review the partnerships and networks that the County Council is engaged with** – focussing on those partnerships that will deliver outcomes and support your priorities and the relationship of this network to the County Council in terms of lead, collaborate or enable.

9. **To have more proactive engagement and consultation with partners around the impact of County Council proposals and closer involvement in decision-making.**
10. **To develop a clear and simplified reporting style** that will support a better understanding of your priorities and purpose, and make decision making more open and transparent.
11. **To refocus each of your enablers on your key and immediate priorities** of workforce, people helping people, digital and networks. This means how you deploy your programme and change management resources, and how you direct investment in technology and smart working.
12. **To ensure that you have the corporate capacity to deliver your transformation programmes** by making a realistic assessment of what resources and skills you have compared to what you need, It may prove a false economy to over-reduce your existing resources and then have to use more expensive external resources later.
13. **To prioritise and re-focus the Community and Digital First programme to deliver maximum benefits** – and importantly identify and deliver quick wins to both secure early financial benefits and signal organisational intent.

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 Staffordshire County Council were:

- Nathan Elvery , Chief Executive, West Sussex County Council
- Cllr Colin Noble, Suffolk County Council
- Chris Tambini, Director of Corporate Resources, Leicestershire County Council
- Richard Williams, LGA Associate
- Adrian Smith, Corporate Director of Place, Nottinghamshire County Council
- Jacqui Lansley, Director of Integration and Partnerships for Southend-on-Sea Council and CCG
- Richard Cooke, LGA Programme Manager

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to provide feedback on:

- How robust is our Medium Term Financial Strategy; are we doing all the right things and are you confident we will deliver?
- How can we improve our Community and Digital First programme to ensure it delivers a transformed and sustainable organisation?

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 four days onsite at Staffordshire County Council, during which they:

- Spoke to more than 130 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 40 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 420 hours to determine their findings – the equivalent of one person spending more than 11 weeks in Staffordshire.

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 (20th September 2018). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

It is clear from the strategies and plans that are in place that the Council has significant ambition for the people and communities of Staffordshire. This ambition is most prominent in the Connected Staffordshire strategic plan for 2018-2022, which was agreed in February 2018 and can be articulated by the leadership, workforce and partners. Within the Plan you have identified a set of key enablers: workforce; people helping people; digital; and networks. The priorities within Connected Staffordshire are also clearly defined and underpinned by a good understanding of your local context. You use a range of data, information and feedback and collate this to provide a detailed understanding of communities in Staffordshire.

In a number of instances, the Council has used its understanding of local place to collaborate effectively with partners and deliver services in a different way. A good example of this is the place-based delivery models that have been implemented in Tamworth and Newcastle-under-Lyme by bringing partners together in one building and providing a more joined up offer to children and families and also using the opportunity to work in a way that is more responsive to need.

Economic growth is a key priority for the Council and there is strong evidence that economic prosperity is improving in Staffordshire. Key strategic projects such as the i54 South Staffordshire Enterprise Zone have attracted significant investment and new jobs and in total 15 employment sites have been created since 2014 leading to over 6,000 new jobs.

The Council is making some difficult decisions about the services it will, and will not, provide in the future. Whilst the strategic priorities are clear, more can be done to work with partners and build a shared understanding of the impact that these decisions will have on communities. Earlier and closer collaboration with colleagues in the public sector will deliver better outcomes. There is also a need to further develop partnership relationships in the context of your vision to sustain networks of public, private and community organisations. Being clear about how and where you invest your time in those partnerships will help support and realise your ambitions.

Working with colleagues, there is also a real opportunity to develop a shared understanding of the 'enhanced two tier model', and how you can jointly work with districts on shared agendas such as housing, community safety and economic development.

The delivery of the Council's ambitions and priorities should be underpinned by robust and timely performance information. As resources become more and more scarce and the needs of communities are ever more complex there is an increasing need to ensure that decisions are informed by strong evidence. Whilst the Council has a lot of data and information this does not appear to be pulled together through an integrated performance framework that could drive improvement, savings and evidence impact of intended outcomes.

4.2 Leadership of Place

The Leader of the Council is well known, respected and a prominent member of a number of key strategic networks and forums at a local, regional and national level. Alongside this, the Chief Executive has forged good relationships across a range of partnership organisations and sectors. Together, this leadership combination of the Leader and the Chief Executive is a real strength and a solid platform to drive the delivery of strategic priorities, and influence and harness resources from across Staffordshire.

A recent focus for the Council has been setting out and communicating the financial challenges that it is facing and there is now a shared understanding of these challenges across public sector organisations locally. The Council is also providing strong leadership in developing some key partnerships, linked to its strategic priorities. Relationships with schools are improving and the development of the Education and Skills Strategy is seen as a catalyst for this. Equally, there was positive feedback from partners engaged in the Local Resilience Forum and the role the Council plays in leading and facilitating this area of work. i54 has already been highlighted, but this is another good example of how the Council has worked with Districts, Boroughs and other partners in delivering economic growth in the area.

A particular strength observed by the peer team was the strong political engagement with the NHS through the Sustainability and Transformation Partnership (STP). Politicians were seen to engage positively in shaping the future health and social care landscape in a way that is not commonplace in other areas.

Your partners are keen to work with the Council to shape collaboratively and collectively the future of service delivery in Staffordshire. However, the starting point and approach to these discussions is inconsistent and people reported mixed experiences. In locality working in Tamworth partners were keen to ensure more engagement from health partners. In contrast, the relationships with schools is much improved and the majority of schools are ready to engage and supportive of the Council. Schools have also noticed that as resources become further stretched that the range of multi-agency services that wrap around their children are starting to retract into organisational silos. This is something that the Council may want to reflect upon and consider how, through its leadership and influencing role, it is able reverse this trend.

People Helping People is one of your key enablers and the peer team saw some good examples of this in action, demonstrating how the Council is supporting citizens to help themselves. This will contribute positively to escalating demands and costs within

the Council, although the development of this agenda is a long-term plan and it will take some time to reach its full potential. There are opportunities to enhance developments around People Helping People through the way you engage with and use the voluntary sector, reframing a new conversation and relationship that can support shared priorities.

The Council, and its partners, might also want to reflect on whether the Chief Fire Officer and Police Chief Constable should be members of the Staffordshire Chief Executives Group. The Council's non-attendance at the three Alliance Boards was also a cause for comment from some partners and you need to clarify your position moving forward.

4.3 Organisational leadership and governance

There is a strong working relationship between Cabinet and officers, including weekly joint meetings that help to ensure portfolio holders are well informed and aware of the day to day strategic issues and challenges. These sessions are also used to discuss and progress key policy and service challenges.

The development of the role of the Cabinet Community Support Member has been very positive and has helped to actively engage a wider group of councillors. The Cabinet Community Support Members are enthusiastic, knowledgeable, working well and providing a highly regarded link between communities and the Council. Good, effective overview and scrutiny could also be seen by the peer team, not only through the four select committees, but also through the four all party member groups.

All stakeholders, including staff and partners, acknowledge that the senior leadership team is visible and accessible. Internally, this visibility is further strengthened by extending opportunities for the senior leadership team to work closely and collaboratively with the wider leadership team and the operational management team.

Monthly briefings, meetings and working sessions have enabled these different groups of leaders and managers to come together regularly and develop and agree a shared response to key priorities and challenges. The content of the Medium Term Financial Strategy was developed in just this way which has ensured wider engagement and understanding across the organisation. This engagement with managers is positive and is a strong starting point for building a value based culture that the Council can embed in your Workforce Enabler and your developing Workforce Strategy.

The peer team received a large amount of information from the Council, both as pre-reading before we were onsite, and as additional information following meetings and interviews. The information included reports and papers both to SLT and Cabinet. In many instances the reports and papers were overly complicated and information was unclear and difficult to interpret. This also meant that decision making was not always perceived to be transparent.

Through the course of the peer challenge some instances were highlighted that revealed a difficult relationship between the Council and unions, which has been felt to some degree in difficulties around important transformation plans. It was felt that sometimes the Council had been too risk averse in its approach to working with unions

and you will want to develop a clear strategy for trade union engagement. There are also some outstanding HR issues that the Council is dealing with and you will want to bring to a rapid conclusion.

There appears to be a disconnect between some of the strategic messages that are being articulated and the reality of what happens on the ground. A good example of this was the confusion around the Council's legacy as a commissioning organisation. Whilst strategically, it felt as though the Council had moved on from this position, operationally some senior managers still behaved and talked in these terms. The need and opportunity to develop a new narrative is a real opportunity.

4.4 Financial planning and viability

All County Councils are under severe financial pressure and Staffordshire is no exception. The Council clearly has an ambition to tackle the medium term financial challenge which has been estimated as a funding gap of £35million from 2019/20. There is also acknowledgement that in the several years of austerity this is the largest gap that the Council has had to face and this is recognised by Cabinet, staff and partners. Cabinet is demonstrating strong political leadership in setting the Medium Term Financial Strategy (MTFS) and it is positive that the budget setting process started earlier than previous years. The Wider Leadership Team also valued the approach taken to develop the MTFS and that they have real ownership of the detail and how savings will be made.

There is a track record of delivering savings and efficiencies and over the last nine years the Council has delivered £240 million of these. This record is supported by the external auditors that feel that the Council has a sound finance function and a record of financial grip.

Despite the recognition of the challenge and the track record of implementing savings plans and efficiencies, the peer team is clear that delivering the MTFS will be a significant challenge. Below is a commentary on the more significant risks and issues;

1. Children's Social Care – there is a recent history of overspending, including in the current year, and the transformation programme has been stalled for 18 months which is contributing to significant recruitment and retention issues for social workers. Even so only limited demand and cost increases have been built into MTFS projections.
2. Adult Social Care – the savings in this area account for 50% of the total county council savings. This is a significant savings programme and success will largely depend on the ability of the service to contain and reduce demand. It is noticeable that some limited pressures are emerging in 2018/19.
3. Special Educational Needs and Disabilities (SEND) – the trend of overspending is a major local and national problem and is very likely to continue. The MTFS assumes that the recovery plan will successfully address the issue. In the light of the emerging recovery plan (final version was not available at the time of the

review) this assumption should be re-visited including testing the plan to ensure it includes reasonable forecasts of future demand and is sufficiently robust. The budget work in this area needs greater oversight at a corporate level.

4. The MTFS assumes the Social Care precept will continue and the government funding reductions will stop after 2019/20. This in part explains why the funding gap in the MTFS closes whilst in other Council's it continues to grow. The Chancellor's forth coming budget and other government announcements should help the Council assess these assumptions.
5. There is a history of using proceeds from the sale of assets to balance the budget. In addition, future plans require the use of £25m in capital receipts over the next two years. Whilst this looks achievable, the use of one off resources does reduce the ability of the organisation to address any un-planned in year pressures.
6. The council's level of debt continues to rise. This relates both to general debtors, where debt currently stands at nearly £9m compared to a target of £5m, and the level of borrowing.
7. The Council's proposed financial strategy is underpinned by six strands including lobbying, digital programme, assets for investment return and the local economy. The MTFS does not include a contribution from nearly all these strands, which is prudent given their early stage of development. The Council knows it needs to develop programmes and quantify their impact so they can be included in the MTFS. There is a risk the proposed reduction in central staff capacity could limit the ability to drive these savings and income generation plans.

The Council also needs to consider the presentation of the MTFS, how this can be tailored for different audiences and ensure that there is absolute clarity and transparency about the scale of the savings that need to be delivered. This should include savings from previous years that have not yet been realised.

The delivery of this MTFS will be a significant challenge. The achievement of the savings in the MTFS will in themselves require real focus, discipline and targeted resources. At the same time there are very real demand and costs risks in both Children's and Adult's social care. The SEND overspend is also a significant risk. In many respects these pressures are faced by all County Council's, however, there is no doubt Staffordshire it is disadvantaged by its low overall funding (and spending) level which just adds to the challenge.

4.5 Capacity to deliver

Cabinet and members are well engaged and have a good understanding of their portfolio's and divisions. They are aware of the challenges that the Council is facing and are also able to articulate the opportunities that exist. There is an effective working

relationship between members and officers and this ensures that members have the right level of detail in terms of the day to day running of council services.

The Council has quite rightly identified that the people that work for Staffordshire County Council are its greatest asset and the Connected Staffordshire strategic plan highlights the workforce as one of the four enablers to delivering key priorities. The peer team talked to a range of staff groups and individuals, both through the peer review timetable, but also informally as they moved around the council buildings. Staff are positive, enthusiastic and motivated to work for the Council. They recognise that they are working within challenging times and that there are a number of uncertainties in the future. Despite this, there is a widespread commitment to the Council, the services it delivers and to the people of Staffordshire.

The Wider Leadership Team (WLT) presented as a coherent team of senior managers, and whilst they were clear about the scale of the challenges that the Council faces they demonstrated that morale is good. They also recognise the new emphasis on the role of the Council as an enabler and there is good sign up to this approach. A key message from WLT was that they have proved previously that they can work together to deliver transformation and are confident that they can do this again.

Whilst the workforce is one of the key enablers, you do not have in place a workforce strategy. The peer team recognise that this is being progressed, but this gap is impacting on your capacity to deliver. For example, it will be difficult to achieve your Community and Digital First vision without a corresponding assessment of what this means for the workforce of the future. The production of a clear and concise workforce strategy should provide a simple narrative of the expectations and aspirations for your staff and how you will support them to achieve these. As it is developed, there is a real opportunity to actively engage with staff at all levels to elicit their views and input on for example current and future organisational culture, the impact of technology on ways of working, and how to refresh community engagement. The People Strategy should also provide a focus on how the Council builds a layer of middle management that is bought into the new direction, is adaptive and of high quality right across the organisation.

For staff, there are too many priorities and many strategies are unnecessarily complicated. A term that was heard on more than one occasion was 'relentless prioritisation'. The reality is that staff need help to decide what they should be doing and where their efforts should be focussed. Where priorities are clear, for example around some of the major transformation programmes you are delivering/planning for children's and adult social care, there is concern about the future capacity in the corporate centre that will drive these forward. Proposed reductions in this capacity could undermine the deliverability these transformation programmes. In addition, it is not clear whether there is sufficient capacity or investment that will support the People Helping People enabler. It has already been recognised in this report that this enabler will take time to build momentum, but this will necessarily require an appropriate amount of resources.

A particular risk is the delivery of the delayed children's services transformation programme. This risk is amplified by some of the difficulties that the Council is facing to retain existing social workers and recruit quality social workers where there are gaps in the workforce against a backdrop of rising demand and the complexity of this demand.

These challenges have led to a number of social workers carrying a high number of cases and this will have an impact on practice. [as evidenced by the recent Ofsted visit]

The delivery hubs are a significant strand of the Council's changed model of service delivery and the hubs in Newcastle-under-Lyme and Tamworth have proved successful in pulling together different services in one building. The Council will want to fully define this model, the benefits and impact before it is rolled out across other districts.

4.6 Community and Digital First

The Council has clearly stated its intention in Connected Staffordshire to focus on a number of key enablers to deliver its ambitious transformation agenda. These are workforce, digital, networks and people helping people. This is being underpinned by a number of delivery mechanisms including the Community and Digital First Programme. This to use digital to work in different ways that make greater use of technology. Alongside the People Helping People enabler that will support citizens to help themselves and their communities. These are ambitious aspirations that will change the way citizens in Staffordshire interact with the Council. The programme has full Chief Executive and wider corporate support and sponsorship in place. The peer team were able to see some areas where staff are starting to embed these new ways of working and the MyStaffs app is a good example of this.

The Council is in the early stages of developing the Community and Digital First Programme and the overall narrative is still emerging. However, the peer team felt there is also some confusion by bringing together the Community and Digital Programmes and it may be beneficial to pull these apart whilst still recognising that the two strands should work closely together,

The Digital First approach recognises that in the future the majority of customers and residents will want to and be able to interact with the Council digitally, but attention will also be needed on hard to reach groups and those at risk of digital exclusion.

Plans for identifying opportunities to automate key processes and services to support digital delivery are also at early stage, but there are some encouraging signs from the digital opportunities work that Council has commissioned. There is also recognition of the importance of upgrading and modernising some of the existing Information and Communication Technologies to deliver the digital agenda. This is critical because digital aspirations will be hard to deliver without the supporting ICT infrastructure being fit for purpose to support it. Similarly, ensuring that modernised ways of working that embrace new technology and digital opportunities should be at the heart of the developing workforce strategy.

There is therefore a need to ensure formal alignment of the digital programme with some of the significant initiatives and enablers that will be important to its success including workforce, technology and smarter working/asset rationalisation. This could be

based around a re-focused Digital Programme that has these initiatives and enablers within it or closely linked to it.

At the same time, a clearer narrative will need to be developed to describe the road map for digital – both internally and externally. Quick wins need to be identified and implemented not just to secure early savings but to signal the organisation's commitment and prioritisation of the digital agenda.

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: telephone 07884 312235 or email helen.murray@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 12-18 months.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before September 2023.