

Corporate Peer Challenge Follow-up visit to **Wirral Council**

8th-9th May 2013

Summary Report

1. Background and scope of the follow up visit

It was a pleasure and privilege to be invited back to help Wirral Council assess the progress made since the Local Government Association (LGA) corporate peer challenge in October 2012. The peer team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site, and the participation of elected members, staff, partners and other stakeholders in the process.

The follow up visit, as with the full peer challenge, aimed to be improvement-focussed and tailored to meet Wirral Council's needs. The visit was designed to complement and add value to your own performance and improvement focus. Peers used their experience and knowledge of local government to reflect on the information presented to them by people they meet, things they saw and material that they read. The peer team provided feedback as 'critical friends', not as assessors or inspectors.

The peers who carried out the follow up visit to Wirral Council were all members of the original peer challenge team:

Rob Vincent – former Chief Executive of Kirklees Council and Doncaster Council
Councillor Peter Smith (Labour) – Leader of Wigan Council
Councillor Michael White (Conservative) – Leader of Havering Council
Jamie Morris – Executive Director, Walsall Council
Ian Simpson – Performance Improvement Consultant
Andy Bates – Principal Adviser (Peer Support) LGA
Paul Clarke – LGA Peer Challenge Manager

In terms of the scope and purpose of the visit, you asked the peer team to provide an external 'stock take' of improvement journey made since the peer challenge in October 2012 by highlighting notable progress, but more importantly by identifying areas requiring further attention, improvement and development. You asked the peer team to focus on:

- Financial risk management
- Organisational development and transformation
- Governance and decision-making

The peer team prepared for the visit by reviewing a range of documents and information to ensure they were familiar with the key developments that have occurred since the peer challenge in October 2012. The team then spent 2 days onsite at Wirral, during which they:

- Spoke to nearly 60 people including a range of council staff (including senior management, service managers, and frontline staff), together with councillors from all political parties.

- Met with a range of external partners including those from the business community and other public service providers.
- Gathered information and views from more than 25 meetings
- Collectively spent more than 140 hours to determine their findings – the equivalent of one person spending nearly 4 weeks working in Wirral.

This report provides a brief written summary of the peer team's feedback presentation provided at the end of their onsite visit (8th-9th May 2013).

2. Overall messages

There has been an impressive journey of improvement since the peer challenge in October 2012. You have come a long way and should be pleased and proud with the substantial progress you have made. We got a strong sense that the organisation is significantly more confident and decisive about the issues and challenges it faces and its ability to respond to them. There is external recognition of this, with many of the partners and other stakeholders we spoke to acknowledging how the authority has improved in the past few months. You are obviously playing a greater role in the city region and your profile and credibility appear to have grown.

There are recent developments that suggest you are more in control of your destiny and direction of travel. For example, you have developed a new corporate plan which sets out clearly and concisely the priorities that the council is working to in the medium term. Significant headway has been made with the more immediate financial challenges the authority was facing at the time of our previous visit. Key changes to your constitution are being implemented to strengthen governance, increase transparency and improve the quality of decision making.

You are now able to take a more proactive look at the future having reacted well to the challenges presented by the past. There are some ambitious plans and proposals emerging, such as the Constituency Committees, and thinking is evolving about the next phase of the Council's transformation. The latter is being informed by learning and challenge that you have sought from others in the sector, including continued support from the Improvement Board, visits to other local authorities and external assistance from the LGA, Centre for Public Scrutiny, Local Partnerships and others.

The improvement journey to date is clearly evident. The scale and extent of your progress would undoubtedly warrant a pause for reflection and celebration in many other organisations. But such is the scale of the challenges that remain in Wirral, you cannot allow the pace of change to slow. Significant risks remain and the momentum needs to be maintained, the grip must remain tight, and leadership (political and managerial) must stay strong.

2.1 Financial risk management

You have made significant headway in getting to grips with the financial challenges that the authority was facing at the time of our visit in October 2012. You had little choice

but to do this of course, but nonetheless it is very evident that a great deal of energy and determination has been put into devising plans that are capable of stabilising the finances of the organisation and identifying the savings required for future viability. You have adopted plans for a balanced budget for 2013/14 after an extensive budget consultation exercise. You appear to have identified approximately two thirds of the savings required over the duration of the medium term financial plan (2013-2016). You have rightly put in place robust monitoring arrangements, improved financial management discipline across the organisation, and established a clear and transparent strategy and timetable for future budget development. You recognise that you need to resolve the issue relating to equal pay and again you are forming an approach to deal with this.

However, the council still faces major challenges during this year in delivering the identified savings. The budget you have set and the unprecedented scale of the in-year savings being pursued are extremely ambitious and there are substantial risks in achieving them. It is too early in the financial year for assurances about the deliverability of the savings. We suggest it is unlikely they will be delivered without some further difficulties and tough decisions along the way. There would of course be an accumulating effect of falling behind target, and given the scale of the savings required at Wirral, this increases the level of risk. You appreciate this and know that keeping the finances under control remains the immediate priority. Losing grip on them will weaken your ability to deliver the change and transformation required.

We encourage the continued emphasis on robust monitoring of the finances and the swift decisive action that may be required. We urge you not to underestimate the challenge of identifying new savings options. The experience of other authorities is that decisions required to achieve further savings will become harder and harder. As one person put it, 'the path gets steeper'. Whilst the amount of savings might reduce, the relative difficulty of identifying and achieving them increase the more progress you make towards your total savings target. Added to this is the fact that the environment in which local authorities are operating in remains far from stable. There are undoubtedly new financial challenges on the horizon, the next Comprehensive Spending Round (CSR) being an obvious one.

2.2 Organisational development and transformation

Our visit has left us in no doubt that that the organisation is significantly more confident about the issues and challenges it faces and its ability to respond to them. There are palpable changes in attitudes and behaviours, and many of the officers and members we met demonstrated and articulated a clearer sense of ownership and responsibility. This in part demonstrates the speed at which change is occurring at Wirral, and the improved internal communications now in place. This is positive, and provides a good foundation as you look to build the culture of the future organisation.

You had already made the decision to invest in strategic leadership when we carried out the peer challenge in October 2012. The new Strategic Director appointments are seen as positive and now complete the line-up of the Chief Executive's Strategy Group which has a good mix of internal and external appointments. We think there is now a timely opportunity to provide a new form and style of leadership to the organisation – in terms

of addressing the strategic challenges, but also to support and empower the capacity and confidence of managers and staff to deliver the ambitious agenda being set. In doing this it will be important that Directors and leading councillors are visible across the organisation.

This is particularly important given that the current restructure will reduce the number of management posts by approximately a third. You will need to take care that the remaining service and team leaders are well supported and keep an eye on indicators of organisational health such as staff morale and sickness absence. The staff survey provides one mechanism to measure some of this, but the internal communication channels you have introduced and other regular opportunities for face-to-face engagement will be important too.

We think now is the time to strengthen the corporate support functions. You have rightly sought interim capacity and expertise to help tackle the most pressing and acute challenges and implement the immediate changes required. This approach has served you well. We highlighted in our last report that you need to strengthen your HR capacity and we still think this is the case. We suggest you now need to do some 'long term strengthening' rather than 'short term patching', shifting the emphasis from repairing the current organisation with interim expertise to building the future one with permanent capacity. In doing this you will need to consider the style of some of the support functions the council of the future requires. Undoubtedly this will be less about 'regulating and ensuring' compliance and more about 'enabling and facilitating' new ways of working.

This, along with a fresh approach to performance management, will we think support a new organisational culture we know you are keen to develop and embed. You appreciate that good performance management is a basic strength of a well-functioning organisation, and have started to develop a new approach that shifts the emphasis from 'performance measurement' to 'performance culture'. We encourage you to continue with this work at pace so that a new approach can be implemented.

Transformation

You have rightly begun to develop your thinking about the council of the future. There is not yet a fully formed vision of the future organisation though and this is becoming increasingly required. It will be needed to drive and inform the next phase of organisational development and transformation at Wirral. A fully owned, clear vision of what the organisation looks like in 3-4 years' time, including key service delivery methods, levels of service provided, and ways of working will help inform the transformation activity required. It will also help inform the above mentioned strengthening of corporate support functions, and determine the culture change needed.

You have started to shape the new transformation programme, considering the key projects for 2013/14 that will contribute to it. It is still at a formative stage and you are keen to develop it into a fully matured programme. We know you are intending to do this over the forthcoming weeks. In doing this we suggest you will wish to consider the following:

- Is the programme ambitious enough? Are the projects and activity proposed relative to the scale of change required?
- Are linkages, sequencing, and inter-dependencies between the various projects and activity clear?
- Is their sufficient capacity to deliver the programme and project activity?
- The programme management and governance arrangements, ensuring robust monitoring and accountability.
- The contribution to the budget strategy. Whilst not all projects may have an objective of saving money, for those that do a clear indication of savings and the timescale over which they will be achieved will be required.
- Ownership from the whole organisation – in terms of awareness and understanding, but also opportunity to contribute to the transformational activity
- Letting staff know what is happening and it how impacts on them. They need to feel part of the programme, not just affected by it.

There will, we suggest, also be a need to take the residents of Wirral with you. Radical changes will only be possible if the people understand what it is you are trying to do. You have already successfully engaged local people in budget consultation, so there is something to build on here.

2.3 Governance and decision-making

Strengthening governance and decision-making was a key priority when we last visited Wirral. Since then, clear steps have been taken to improve and strengthen it. You have carried out a fundamental review of governance arrangements which has resulted in revisions to the scheme of delegation, proposals to strengthen the overview and scrutiny function, and constitutional changes intended to improve the procedure for full council meetings. Much of this has been welcomed across the authority but as with all new arrangements, we encourage you to keep the new practice under review to ensure the changes are successful and effective in providing opportunities for all members to inform key debates and hold decision-makers to account. A review after an agreed period of time may be something to consider.

Perhaps more noteworthy than changes to procedural rules and processes, has been the openness and transparency the council has demonstrated in dealing with new challenges and issues. The way you dealt with the debt management issues that surfaced after the peer challenge in October for example shows an evolved style of responding to significant challenges. Action was swift and decisive, including seeking external independent support and expertise, and now looks to be resulting in a substantial reduction in outstanding debt.

We noted the considerable progress made in advancing your plans to strengthen local leadership and implement a neighbourhood working approach. The thinking on this was very embryonic during our last visit, but since then you have evidently put a lot of energy and focus on developing proposals designed to enable local elected members and citizens to influence and shape services in their areas. The proposed model of

four Constituency Committees and the involvement and integration of partner agencies in the arrangements looks ambitious and exciting. It will be important that members continue to be engaged in shaping how the Committees will operate, and that there is relevant training, development and support provided. Beyond these new arrangements we think it will be useful that further consideration is given to how the roles of members may need to evolve in the context of the council of the future.

The Public Service Board is another new development since the peer challenge. It looks like it will work well. You are building some clear linkages to the Constituency Committees, but we encourage you to think through how it relates to your ambitions for the Health and Well Being Board and how the various other strategic partnerships such as Community Safety and Children and Young Persons all fit together.

3. Key issues to take forward

You have made enormous progress in addressing a very challenging set of issues. We have sought to highlight some of this progress and the many positive developments that have occurred since the peer challenge in October 2012. We have also identified what we think are the areas where further improvement is still required. We know you are aware of many of these and are already developing plans and proposals.

We think the following are the key issues you need to focus on and take forward:

1. Continue emphasis on financial management, including the robust monitoring you have introduced to ensure that identified savings are delivered.
2. Progress your thinking on the council of the future so that it drives and informs the new transformation programme and other organisational development.
3. Strengthen corporate functions to enable change to be delivered. Now is the time to move away from interim arrangements and plan capacity for the longer-term.
4. Continue to do things at pace, hold your nerve and be prepared to take the tougher decisions ahead. The hardest decisions probably still lie ahead.
5. Use the opportunity that a new 'top team' presents to promote cultural change throughout the organisation. Lead the organisation as well as the strategic change agenda.

All of us connected with the peer challenge would like to wish the council and the borough every success in the future.