

18 November 2015

Eric Robinson
Chief Executive
Wirral Council
Wallasey Town Hall
51 Brighton Street
Wallasey, CH44 8ED

Dear Eric,

RE: WIRRAL COUNCIL – CORPORATE PEER CHALLENGE

On behalf of the team, I would like to say how much we enjoyed spending time in Wirral again to work with you and colleagues on the recent corporate peer challenge, following close behind the LGA financial review undertaken in October 2015. The team very much appreciated the welcome we received and the positive way with which everyone engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

It is testimony to the council's desire for constructive external insight that Wirral commissioned the corporate peer challenge. It reflects the council's long held view of the value of external help within the local government sector, as the council had a previous corporate peer challenge in 2012. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the challenge were:

- Mark Rogers, Chief Executive, Birmingham City Council
- Cllr Peter John, Leader, London Borough of Southwark (Labour)
- Cllr Robert Light, Group Leader, Kirklees MDC (Conservative)
- Giles Perritt, Assistant Chief Executive, Plymouth City Council
- Rob Vincent, LGA Associate
- Neil Shaw, Programme Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual council's needs. You asked the peer team to explore:

- The council's capacity to deliver the Wirral Plan 2020
- The council's approach to partnership working
- New models for service delivery

The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. There are a series of guiding questions for all corporate peer challenges which the team also explored. These are:

- 1) Does the council understand its local context and has it established a clear set of priorities?
- 2) Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- 3) Does the council have effective political and managerial leadership and is it a constructive partnership?
- 4) Are effective governance and decision-making arrangements in place to respond to key challenges and manage change and transformation?
- 5) Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

All five of these questions were explored by the peer team by examining the first area of focus the council identified: the council's capacity to deliver the Wirral Plan 2020.

Executive Summary

During the last few months the council has begun to set out a new approach to its longer-term aspirations for Wirral. This is focused around the Wirral Plan 2020. The Plan sets out twenty 'pledges' for the council and its public sector partners in Wirral to deliver on over the next five years. The Plan aims to make a stronger impact on delivering better outcomes for local people, within the reducing funding environment for all public bodies. The Plan is a work in progress and the peer team explored key issues which will enable the Plan to be delivered effectively.

Core council service performance provides a good foundation, although this is notwithstanding an identified risk in children's services. The council has recently published a Delivery Plan: Phase 1, which sits behind the Wirral Plan. There is still considerable work to develop the detailed programme which will ensure disciplined implementation. The council has identified six building blocks which will enable the Wirral Plan to be delivered effectively.

The Wirral Partnership, which is looking to drive the implementation of the Plan, has shown good intent by agreeing the pledges in a relatively short time. There is good commitment from the partners to improve outcomes for local people. There is now a need to identify what priorities and projects will provide the focus for the Partnership for the next 12-18 months. There will be a need to think through the sequencing and interdependencies between these projects. The council will also need to manage the risks around performance in children's services. If they find this needs to be improved significantly this is likely to require investment, which might have an impact on these other projects.

The council is proposing a new operating model to achieve the outcomes in the Plan. The model is appropriate - with a different mix of service provision, work in partnership and greater commissioning - but now there is need for more engagement within the council on what this will mean in specific service areas, as well as to overall corporate capacity and capabilities. The council may want to re-look at where it is placing some of the functions (within Business Management, Strategy and Delivery).

To deliver on the pledges the council will need much more focus on organisational development and a strong corporate transformation function. It will also need to examine the functions which sit in Business Support to enable transformation to be effective and undertaken at pace.

The council faces a significant financial challenge as its budget reduces dramatically. There is a need to develop fully the 2016/17 budget (which is underway) and not divert from the savings proposals it will contain. The council will then be making steady progress towards formulating a 'pledge driven' budget over the following two to three years. This will include taking a more commercial approach (where appropriate) and, over time, aligning the financial strategies of partner agencies with the Wirral Plan.

Context and overview

1. It is three years since the council's previous LGA corporate peer challenge. The context for the council has changed considerably since that time. Wirral has made good progress since it moved out of the period where it had an Improvement Board up to 2013. In 2015 Wirral was judged by the Local Government Chronicle as the country's most improved council. There appears to be some loss of momentum in 2014 and this has affected confidence. Wirral 2020 and the new operating model are major steps forward. As identified in 2013, the need to strengthen corporate functions remains.
2. Performance indicators suggest that the majority of the council's core services are sound. The borough's performance on adult social care is good. It is beginning to make progress with integrating health and adult social care services. The borough now has some integrated service provision between adult care services and further integration is planned, including an integrated commissioning hub. The level of delayed transfers of patients from hospital is relatively low compared to other similar local authorities. Wirral is one of the best places in the country for promoting the independence of adults through rehabilitation/intermediate care. It is also one of the lowest spending authorities nationally on services like homecare. Challenges will remain nationally for adult's services with a growing ageing population and the anticipated future funding reductions for councils.
3. Wirral is experiencing a challenging time on children's services. It is five years since Wirral had an Ofsted inspection so it is difficult to judge in-depth the quality of children's social care provision. For a number of years the trend on the number of looked after children the council has responsibility for has remained at a high level compared to other Metropolitan local authorities. It currently has 672 looked after children and has experienced similar levels for the past 2-3 years. In other areas of children's social care there are positive indicators. For example, the percentage of

children subject to a second child protection plan is lower than the average for other Metropolitan authorities (11.7%, compared to an average of 15.7% for Metropolitan councils). Performance in some areas is good, but more work is needed consistently across children's services. This includes managing the 'front door' for children's social care with partner agencies to manage demand for services. As a result, children's services are a risk and this might affect the transition to the Wirral Plan if significant improvement is deemed necessary and needs to be supported by investment.

4. Educational attainment in Wirral is good overall. The trend on GCSE attainment has been above the national average for many years. 61.2% of students gained 5 GCSEs (A*-C) in 2015. The borough has good FE and HE provision. There is also evidence that the work of these institutions is being complemented by work-based training and development to equip local people with the right skills to enter the local job market. The Maritime & Engineering College at Cammell Laird being just one good example of this.
5. The performance of the council's 'clean and green' services has positives and areas which need further improvement. Wirral has considerable civic pride in its large number of parks and green spaces, including the renowned Birkenhead Park. The council's spend on waste management and street cleansing is below the average for Metropolitan councils, demonstrating generally good value for money. The number of fly tipping incidents has been reducing. The level of waste recycled is in line with other similar councils. However, parks and open spaces is a relatively high spending area (compared to other authorities). Wirral is the tenth highest spending council in the country for its collective spend on sport, culture and parks. This is an area which would benefit from more in-depth examination by the council and comparison with the performance, value for money and practice of other authorities in order to provide better value for money.
6. The borough's performance on health outcomes is an area all partner organisations recognise as a challenge. Life expectancy varies by 12 years between the best and worst outcome areas in the Wirral. Although Wirral is a 'Vanguard' area for health, improving public health in specific parts of the borough is a major challenge – recognised by both the CCG and the council. The new Wirral Plan pledges are seeking to address significant improvements in this area.

Detailed findings

The council's capacity to deliver the five-year Wirral Plan

7. During 2015 the council has begun to set out a new approach to its longer-term aspirations for Wirral. This is focused around the Wirral Plan 2020. The Plan sets out twenty 'pledges' for the council and its public sector partner agencies to deliver on over the next five years. The Plan is a work in progress. The council has recently published a Delivery Plan: Phase 1 which sits behind the Wirral Plan. There is still considerable work to develop the detailed programme which will ensure a disciplined implementation. The council has identified six building blocks which will enable the Wirral Plan to be delivered effectively. The peer team used these six areas,

summarised in the diagram below, to examine the council's capacity to deliver the Plan.



Financial strategies

8. In October 2015 the council had an LGA Financial Review. This explored the detailed financial position of the council and examined its approach to future financial viability. In overview, the council has a revenue budget of £259.2m in 2015/16. It has a track record of delivering significant savings in the past, although not always in line with the agreed budget framework. It has a number of key strengths it can build on in terms of financial management. There is now greater member involvement and steer on key budget issues.
9. However, the council is facing a larger savings challenge than some other authorities. On its own current projections the council will need to save £126m over the next five financial years and the 2015 Government Spending Review may well introduce further challenges. In past years the council has been overspending in some directorate revenue budgets and using its reserves to balance the revenue budget. This issue was reflected in the previous peer challenge in 2012 and the council needs to develop the 2016/17 budget and not divert from it. It is currently anticipating a £9.2m slippage on this year's savings target of £38m. The council needs to quicken the pace of implementation on major projects intended to deliver savings.
10. The council faces a key financial tension – balancing its short term budget for 2016/17, whilst developing a programme for delivering the bold ambitions for the longer-term expressed in the new Wirral Plan. It's important that members lead the budget process strategically and in the short term members need to feel assured that savings proposals for 2016/17 reflect priorities, are robustly risk assessed and may want to consider asking officers to seek new savings proposals for this year to

address the anticipated slippage in this year's savings plan. The council can then make steady progress towards a 'pledge driven' budget over the following couple of years. As the Wirral Plan is a Plan for the all of its public sector partners, not a council plan, the challenge will then be to align the financial strategies of partner agencies with the Wirral Plan. The council will also need to grapple with a number of high spending areas including; children's social care, leisure and parks/open spaces.

11. There are some great opportunities to take a more commercial approach. This is currently significantly underdeveloped in Wirral. Whilst it will not be appropriate for every service area, overall a more commercial approach will help as part of the work to bridge the funding gap. Some initial ideas on commercial opportunities were summarised in the financial review report and there are a range of potential ideas within service areas. From a leadership perspective this might include designating a senior officer and member with responsibility for commercialism.

Political leadership

12. The council identified political leadership as one of its key building blocks in delivering the Wirral Plan. The peer team explored leadership in a wider sense, including; political and managerial leadership and the role of governance. There has been stable political leadership since 2012, and there is widespread confidence amongst elected members and officers in the Leader's style and approach. The Leader's role as Chair of the Merseyside City Region is seen as recognition of the important role that the Wirral is playing in the development of the city region.
13. The council appointed a new Chief Executive in Spring 2015. The considered approach of the Chief Executive in shaping the vision of the organisation is appreciated across all sectors. He has been described as 'a breath of fresh air' and his approach is building confidence. He has played a key role in the development of the Wirral Plan.
14. There is an acknowledgement that Wirral is a member-led local authority and that members and officers work well together. Gaining cross party and officer ownership of the Plan and the 20 pledges is an important achievement. The senior operational managers who we have met are capable and energised, although frustrated at what they perceive to be the relatively slow pace of change. This view is shared by the political leadership of the council.
15. Senior managers are hopeful that the Wirral Plan will help to make the future work of the Wirral Partnership (including the council) 'personality proof' and not reliant on individual leaders for delivery. Organisational development needs to be tuned to deliver the transformation agenda. The Chief Executive needs to continue to engage with politicians, officers and external partners of the council. However, the Senior Leadership Team is not currently giving adequate corporate leadership and this needs to be much stronger if the Plan is to be delivered effectively. More connected leadership is needed from the top to the bottom of the organisation. The council must have the senior officer leadership resource to create capacity to deliver change. The peer team also had a concern at the current high use of consultants and interims who are providing temporary specialist support. This is not a concern about

consultants/interims per se, but an observation about their number and duration. The council should continue to 'invest to save' – efficiently and effectively – using the right external help for specific time-limited purposes, but look to reduce the overall number of longer-term interims in key roles. The council needs to move quickly to a new organisational shape to support the Chief Executive, including providing the right kind of strategic level capacity.

16. The council's scrutiny function has been remodelled with the establishment of four Policy & Performance Committees. Members of these committees would welcome the opportunity to play a role in developing and delivering the pledges as the detail of the Delivery Plan becomes clearer. The delivery of the Wirral Plan and pledges and the role of scrutiny may be enhanced in the longer term by offering opposition members a leadership role on the Policy & Performance Committees.

The Wirral Partnership

17. There is a clear commitment from Wirral's senior level partner agencies to deliver on the Wirral Plan pledges. There is palpable enthusiasm from the top level representatives of the council, the CCG, Merseyside Police, Wirral Metropolitan College, Merseyside Fire & Rescue Service, the Wirral Chamber of Commerce and Community Action Wirral to make the Plan work. The Partnership has moved swiftly to develop and agree the twenty pledges.
18. There is much good work already underway on which the Partnership can build. To give a feel for this, it includes;
 - closer working on education/training (between the College and the Chamber)
 - integrating health and care commissioning (between the CCG and council)
 - joint community projects (between voluntary organisations and the Fire & Rescue Service)
 - joint work on tackling community safety and anti-social behaviour (between the Police and the council)
 - good collective work on key regeneration projects, such as the Wirral Waters Enterprise Zone and the international golf resort proposal
19. There are two key immediate challenges for the Partnership. The first is to ensure the strategic aspirations expressed in the pledges are translated into implementation by senior officers in all the agencies. There appears to be a good sense of commitment within the council by senior officers, but it will be important to hold all agencies' senior officers to account for delivery. There are currently mixed messages – some keen to advance – others less so. There may be a temptation from some officers throughout to slow the pace of implementation particularly if they involve radical changes to the delivery model for specific services they directly manage. Officers at the top level in the council need to take stronger collective responsibility for translating the pledges into clear joined up action within the organisation. There is a particular need to be clear on the specific projects that will begin to help deliver the pledges over the next 12-18 months.

20. The second key challenge will be for the agencies to engage their workforces in the detail of the delivery plan as it is developed. The pace of implementation is currently good, but it will be important to try and ensure 'buy in' from staff in all the agencies and create opportunities to empower staff to implement the changes to service delivery in the way which works best on the ground (whilst still keeping clear sight of what is intended in each pledge area). Some key agencies are not currently signed up to the Wirral Plan, for example, Magenta Living – a very large Wirral housing association. The partners run a risk in delivering the pledges if some large local agencies cannot be influenced to help on delivery.
21. The council is exploring what services will be delivered on different 'footprints' before proceeding on implementing the operating model. This is complicated. Some services are likely to be delivered in greater collaboration with Wirral partner agencies (through the Wirral Partnership), some pan-Merseyside with public agencies across the city region and some may be delivered outside Wirral with partners in Cheshire or further afield. There is no one model for future service delivery. There have already been some exploratory plans to integrate some specialist health/social care services across Merseyside. This seems appropriate due to the specific and complex nature of service users for these functions. The peer team did not have the time within the challenge to explore this issue in any depth, but would simply recommend the council keeps its options open to delivering services on these different 'footprints', fully exploring the potential benefits and risks associated with moving to a new operating model for specific services. If the council decides a specific proposal for sharing or collaborating on service delivery is not likely to work to Wirral's benefit it needs to make an early decision rather than prolonging explorations and discussions.

Relationship with residents

22. The council and its partner agencies recognise that they want to form a different relationship with residents in the future. There is general recognition that relationships with local communities has been negatively impacted by the past challenges the council has had to deal with. The new relationship will be based on a clearer Wirral narrative, a greater ability to listen to resident's issues, making better use of the data and intelligence the council gathers across the Wirral and greater use of channels use as digital and social media.
23. The council has very recently completed an independent residents' survey for the first time in many years. We understand there have been over 1,200 responses. No results from the survey were yet available, but this will be an important source of intelligence with which to inform the shaping of the implementation of for the Wirral Plan as well as providing a clearer view of how residents view the council. The council will need to address a specific challenge in its new approach: how it better manages the expectations of residents as public sector funding for services reduces considerably across the Wirral.
24. The council has four Constituency Committees across the Wirral. These are used by local members. They could play a useful role in identifying community groups and other providers who may wish to be considered as more services move to different operating models. There are already some examples of this, by working with some

community groups who have undertaken community asset transfers of facilities. The Constituency Committees can also play an important role in trying to build the resilience of local communities. This is likely to be important as all public agencies in the Wirral review their future level and type of service provision. Before services can move to new operating models, capacity needs to be built in local communities who will be directly affected, so they can manage low levels calls on service themselves in the future, and other types of service delivery can focus on the most vulnerable.

New Operating Model

25. The Wirral Plan is focused on future services being provided through a range of operating models, including; direct delivery by the council, in partnership with other organisations and commissioning others to deliver better outcomes. There is some activity already underway which illustrates how some of these operating models may work. For example, a range of specialist adult care services are now being commissioned and delivered in partnership with the NHS and some community asset transfers have been undertaken to community groups.
26. The existence of a Transformation Team and Fund presents the opportunity for real change within the organisation. The £12m fund has not been used to its full potential and there are more opportunities to design 'invest to save' projects to help deliver the transformation and generate savings. The council needs a corporate transformation function of a sufficient strength to deliver a challenging change agenda. The current function has not been able to drive change effectively or with sufficient pace. Linked to this there is a need for a planned methodology which is clearly programme managed. Some key corporate functions need to be better attuned to supporting the implementation of service delivery changes, including HR/OD which needs to develop a clear workforce strategy that reflects the intended direction of travel with the future operating model.
27. The Wirral Partnership has aspirations to make more holistic use of the public estate in the Wirral. The partners estimate the public estate could be worth in the region of £2bn. The council has an asset portfolio in the region of £650m. Whilst it has a current Asset Management Plan, this needs further development to ensure the council can use its assets to help make a significant contribution to the overall savings targets and make a stronger contribution to delivering the pledges. The council has engaged Local Partnerships to help it begin to look at this process. This needs to move at pace, identifying how buildings will be shared more extensively, how some services no longer need to be 'building based', and how some of the asset portfolio can be disposed of to generate greater capital receipts.
28. Whilst the peer team recognises the attachment some communities and elected members have to specific buildings, the council needs to acknowledge that outcomes can be delivered in a variety of ways and its property portfolio in 2020 needs to be significantly smaller overall and more assets shared with other agencies. More joined up conversations on the public estate need to be translated through to concrete plans quickly. Part of this improvement could include a joint (or virtual) single Asset/Property Team for Wirral across the public estate. A number of councils have

made good progress on rationalising their use of assets, either under the One Public Estate Programme or through work they have undertaken themselves. Wirral is likely to benefit from examining the work of councils like York and Barnsley who have both significantly rationalised their building assets.

29. The council have recognised that their work on the digital agenda is another key part of its move to different operating models. The council's Transaction Centre is being delivered with considerable determination, although all transaction channels have yet to be consolidated within this unit. The council's work on 'digital' needs to enable a more flexible and agile approach to working as part of its overall organisational development work over the next couple of years. A number of councils have made good progress on the digital agenda including Leeds (on its Data Mill), Kent County Council (on taking an integrated approach to data to inform commissioning), Cheshire (integrating care records) and Bristol (using integrated data on its Troubled Families work). Wirral is likely to benefit from examining the work of councils like these and others who have transforming services through their work on digital.

Devolution

30. At the time the peer team were on-site the Liverpool City Region were aiming to get each of the authorities to approve its 'devolution deal' agreed in principle with the Government. The proposal is being considered by each authority and looked likely to be approved. There is a great desire to work in an integrated way across the city region. Wirral is demonstrating commitment to the city region work through its Chair, and has gained the confidence of other partners. As outlined, earlier there have been some exploratory plans to integrate some specific health/social care services across Merseyside. This seems appropriate due to the specific and complex nature of service users for these functions. There is now an opportunity for all the authorities working together to be ambitious and use the city region as the means of agreeing practical collaborations.

The council's approach to partnership working

31. The council's strategic partnership working takes place within the Wirral Partnership, and this was explored earlier in this report. There are a very wide range of operational partnerships. There are some excellent examples of partnership working within the Environmental Health and Trading Standards Team. The Public Health function is seen as innovative, supportive and a good partner internally and externally. Wirral is also a 'Vanguard' area for health and social care commissioning. The community and voluntary sector in Wirral is mature and understands the asset-based approach to community development proposed in the new operating model.
32. However, there is very limited collaboration between some council back-office functions such as audit and human resources between the council and the CCG. There are differing views about the health and social care integration timetable and no evidence of a written plan or timeline to achieve full integration with pooled budgets. Community, business and trade union partners are anxious to be kept informed of the development of the new operating model and future transformation

plans to deliver the 20 pledges. There is evidence of community involvement in the council's budget processes, although more limited evidence that this has influenced decision-making.

33. Partnerships supporting growth and regeneration projects will play a major part in the future economic success of the Wirral. The peer team received very positive feedback from the local businesses it engaged with, including the Chamber of Commerce. The council have built positive links with the Chamber and there are a range of practical regeneration projects they can work in partnership on. To accelerate the partnership with the business sector, the council needs to provide greater clarity around a growth plan, a Birkenhead masterplan and a waterfront strategy.
34. There needs to be a much bolder approach to developing and sharing insight and intelligence across the partner agencies, and using that to drive a more comprehensive commissioning approach. The council is considering how it can make more coherent use of its own insight and data and there are opportunities to extend this across the partner agencies. There is also an opportunity for a more co-ordinated and cost-effective approach to community engagement amongst the Wirral Partnership members. This might extend to a more joined up approach to communications and campaign activities.

New models for service delivery

35. The council is keen to better understand other service delivery models and new ways of working. The reports has already explored issues like greater commercialism, channel shift and greater community ownership of assets or delivery of services. There is considerable strength within the organisation at service manager level and all of those the peer team saw are enthusiastic to take forward new ways of working, although they are frustrated by some internal barriers to achieving change.
36. The new operating model appears to be an appropriate response to the challenges facing the council. There are some clear examples of new delivery models being implemented such as Edsentials (traded services to schools) and Evolutions (day care delivery). The possibility of wider stakeholder ownership of these should be explored, for example, wider services which could be traded to local schools. The council's 'clean and green' services demonstrate excellent commitment to partnership working and delivering new models of working to reduce costs, for example, by transferring some work to 'Friends' groups. There are a number of areas where the council is exploring alternative delivery models in partnership which shows the council is thinking differently in order to make a stronger impact.
37. However, the council's key corporate services are not consistently focussed on helping to deliver new models of working. Services like transactional human resources, organisational development, asset management, legal and property are too often ponderous, risk averse (rather than risk aware), not sufficiently enabling or quick enough to respond as change moves at pace.

38. Effective work with residents and staff will be important in enabling the new models of working to be implemented effectively. Delivering significant change must take account of some instances of low staff morale generated by the perception of indiscriminate universal cuts in service provision in recent years. Continued communication is needed to explain proposed new models to the public, some of which could well be perceived by them to be radical due to the long history the council has of protecting services. Lessons should be drawn from, for example, the establishment of 'Evolutions' to support a solid business case and sound programme/project management approach to future service delivery changes to avoid unnecessary cost burdens.
39. The move to new ways of working will need to be driven by a much more powerful Senior Leadership Team to collectively own and drive transformation. It will need a strong corporate team supported by a well-balanced transformation support/delivery unit.

Finally, we would like to thank colleagues and members at Wirral, especially Lucy Barrow, for their support in the lead up to the challenge and during the challenge itself. The council supported the process very well.

Further on-going support is available through the Local Government Association's Principal Advisor, Gill Taylor (email: gill.taylor@local.gov.uk, tel: 0778 9512173). The LGA is keen to follow up its corporate peer challenges in a more structured way. Gill will liaise with the authority in the coming months to explore specific issues the council may wish to be supported on and to track progress on the key issues explored in this report.

Report contact

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