

Report to: **Overview and Scrutiny Panel**
Date: **11 July 2019**
Title: **Peer Challenge Progress Update**
Portfolio Area: **Leader**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Immediate**

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Recommendations:

That the Overview and Scrutiny Panel:

- 1. notes the progress to date on delivery of the Peer Challenge Action Plan**
- 2. considers:**
 - a) when it wishes to receive a further update on progress on the delivery of the Action Plan, and**
 - b) any areas of the Action Plan where a more indepth update is required.**

1. Executive summary

- 1.1 In 2018, the Council requested that the Local Government Association ("LGA") undertake a Peer Challenge of South Hams District Council, jointly with West Devon Borough Council in order to identify their strengths and any areas for improvement.
- 1.2 The LGA concluded their review and made a number of recommendations to the Council in its report. The recommendations were considered by a joint Member working group and an action plan was developed.
- 1.3 Significant progress has been made in delivering the proposed actions following the elections in May 2019.
- 1.4 This report provides an overview of the progress to date in delivering the action plan.

2. Background

- 2.1 As the Council shares services (and therefore staff) with West Devon Borough Council, the Peer Challenge was a joint review but with individual recommendations for the Governance and Political element of the Council.
- 2.2 A number of the LGA recommendations related to ensuring effective joint working across the two Councils to ensure their future financial sustainability and to set a clear direction for both Councils.
- 2.3 Following Council meetings in February, it was resolved to form a Joint Working Group in order to review the recommendations made by the LGA and to develop an action plan for the Council to implement.
- 2.4 A Peer Challenge Joint Working Group consisting of three Members of both Councils met, supported by officers, on 25 February 2019 in order to consider measures that could be implemented in the coming 12-18 months.
- 2.5 The Executive approved the Joint Working Group's action plan at its meeting on 13 March 2019 (E.85/18).

3. Outcomes/outputs

- 3.1 The Peer Challenge action plan is based around 6 headline recommendations:
 - Recommendation 1: Ensuring there is both strategic capacity and direction to enable the Council to effectively plan for and deliver its aspirations into the medium term
 - Recommendation 2: Strengthen the Councils political governance arrangements
 - Recommendation 3: Ensure a continued organisational focus on achieving financial sustainability
 - Recommendation 4: Prepare a viable future accommodation strategy
 - Recommendation 5: Clarify partnership priorities and seek to strengthen key sub-regional partnerships
 - Recommendation 6: Ensure clarity on what the new Information Technology is expected to provide and ensure confidence that it will deliver this
- 3.2 Within each of the headline recommendations are a number of specific actions. Updates on the individual actions are set out in Appendix A to this report (Peer Challenge Action Plan Update June 2019).

Recommendation 1: Ensuring both Strategic Capacity and direction

- 3.3 This recommendation is about ensuring sufficient capacity and direction within both the elected Membership and the Officer management structures to deliver against the corporate themes.
- 3.4 Ahead of the Peer Challenge the Council had already begun developing its future corporate strategy and themes. The Peer Challenge highlighted that while good progress was being made, it was important that the strategy was underpinned by a sound

evidence base. The Extended Leadership Team convened a number of officer workshops to develop draft theme delivery plans which were then considered at a full Member workshop in March 2019.

- 3.5 Work on further developing the plans with Members largely stopped during the election period but recommenced in May 2019 following the local elections.
- 3.6 The Executive have considered the draft themes and would like to revisit them before moving to a wider consultation and engagement activity. This is a positive step with Members taking the lead role in developing the priority themes for the Council.
- 3.7 A key recommendation was that the Councils look to develop sufficient leadership capacity to deliver the emerging corporate themes. In February 2019, the Council took the decision to appoint a Chief Executive (to replace the previous two Executive Director roles following the departure of one of the post holders).
- 3.8 The Chief Executive is now taking steps to reconsider the structure of the Senior Leadership Team to ensure that the Council is best placed to focus on its priorities.
- 3.9 A consultation is currently underway which provides all employees with the opportunity to provide their views on the proposed Senior Leadership structure.
- 3.10 At the end of the consultation, a report will be considered by Members later in July 2019 setting out the proposed structure and recruitment process.
- 3.11 Once the recruitment to Senior Leadership Team roles has concluded, a further review of the Extended Leadership Team will commence.
- 3.12 In order to ensure that the Council maximises capacity across the whole organisation, a capacity Audit will be undertaken of all service areas by September 2019 to help inform the Extended Leadership Team structure. This audit will be a 'deep dive' into all service areas to understand the pressure points and develop a clear action plan for addressing them.
- 3.13 It should be noted that this is not simply about considering how many people we have in post. The review will consider:-
 - **Aspirations** – What are our purpose and goals (and are they aspirational enough)
 - **Strategy** – How will we achieve our aspirations, do we have clear plans in place? Do services have performance measures in place and are they realistic?
 - **Organisational Skills** – Do our employees have the right skills? If not, how will we develop them? Do we have the right plans in place (financial / operational delivery etc)
 - **People** –How do we encourage a diverse workforce and elected membership? How do we involve our elected Members and draw on their expertise and knowledge?
 - **Systems and Infrastructure** – Is our governance effective? Do we have the right ICT and asset infrastructures in place? How do we recruit, develop and retain our staff? Do we manage our projects in a structured way? Are there clearly

defined policies and procedures to enable people to work effectively and consistently

- **Organisational Structure** – Are people clear on their roles? Do we have lots of vacancies or areas where turnover is high? Is our structure fit for purpose with clear reporting lines and defined areas of responsibility?
 - **Culture** – Within our services do we have shared beliefs and values? Do we recognise good performance and is it linked to the ability to progress within the organisation?
- 3.14 The review will consist of an initial self-assessment by Heads of Practice which will be considered by a panel of Senior Officers in order to provide 'critical friend' challenge.
- 3.15 Once complete, along with the customer satisfaction survey and annual staff survey, we will have a powerful set of data to make informed decisions about developments required within each service area.

Recommendation 2: Strengthen the Council's political governance arrangements

- 3.16 The 2019 local election saw 15 new Councillors elected to South Hams District Council. The Council has appointed a new Leader and Deputy Leader.
- 3.17 Work commenced in 2018 to ensure that a thorough Member induction programme was developed. A full timetable of induction sessions was in place and available to prospective candidates during the pre-election period.
- 3.18 The induction programme was developed with input from Members, officers and support from the Local Government Association.
- 3.19 The Induction sessions have been well attended and the feedback received has been largely positive.
- 3.20 We are now looking to consider further Member training and development for the next 12 months.
- 3.21 Role profiles have been developed for Members which set out the expected skills and knowledge required. Following discussions with the Leader, the Democratic Services Manager will be arranging a meeting with the representative from the Devon Member Development Service to consider developing a skills framework linked to the role profiles. This will be a joint meeting with West Devon Borough Council.
- 3.22 In respect of considering joint meetings with West Devon Borough Council where there are common areas of interest, this is being considered on a case by case basis.
- 3.23 So far, joint sessions are planned on the Joint Local Plan (July 2019) and Climate Change (Autumn 2019). Members of the Leadership Team continue to actively engage with Lead Members to further identify areas for joint briefing and training sessions.

Recommendation 3: Ensure a continued organisational focus on achieving financial sustainability

- 3.24 The outline of the Council's financial position has been part of the initial session of Member Induction. More detailed finance training on the Medium Term Financial Strategy is being organised for the week beginning Monday 2nd September. This is with an external trainer who is an LGiU (Local Government Information Unit) Associate.
- 3.25 Staff and the Extended Leadership Team have been asked for their ideas to input into the Budget Proposals. The Extended Leadership Team are meeting on 26th June to put forward proposals for Members to consider. A Budget update report will be presented to Members at the 18 July Executive meeting. This will give an update on the financial modelling and ask Members for a recommendation to Council on the level of Council Tax Support Grant payable to Town and Parish Councils for 2020/21 onwards.
- 3.26 The Budget Proposals will be part of a Budget Workshop for Members in September (when the Government's Spending Review is likely to be announced) and Members will also be presented with the Medium Term Financial Strategy (at the Executive meeting on 19 September), where Members will set out their strategic intention for all of the different strands of funding available to the Councils
- 3.27 One recommendation of the Peer Challenge team related to engaging with Devon Pensions on the Council's Pension Strategy. The Council's Section 151 Officer has written to Devon Pensions regarding this and will be taking this forward alongside the timetable for the current Triennial Revaluation of the Devon Pension Fund.
- 3.28 In terms of opportunities for investment in commercial property, residential property and council owned assets, the Head of Assets will be seeking to amend the current investment strategy so that we can consider investments in the renewable energy sector. This will increase the scope for commercial investment and also align with our current commitments around climate change.

Recommendation 4: Prepare a viable future accommodation strategy

- 3.29 South Hams has drastically reduced its require office space by enabling its workforce to work from home, known as 'Agile' working. Large parts of Follaton House are now let to tenants which generates an income for the Council.
- 3.30 The Peer Challenge recommended that the Councils consider both the short term and longer term accommodation strategy for discussion with Members.
- 3.31 The Head of Assets Practice continues to address this recommendation through Member working groups and will report back on findings in September 2019.

Recommendation 5: Clarify partnership priorities and seek to strengthen key partnerships

- 3.32 The Peer Challenge team felt that the Council has been largely internally focused for the past 3-4 years and therefore not potentially maximising the benefits of engaging with partner organisations . It was acknowledged that this was largely to be expected as the Council embedded its new structure and ways of working.
- 3.33 The Commissioning Manager is currently undertaking a review of partnerships and a report is scheduled to be considered by Executive in September 2019.
- 3.34 The Senior Leadership Team regularly meet with the Senior Management teams of neighbouring authorities to identify areas where we could work together. We are currently exploring opportunities to consider joint apprenticeships for hard to recruit posts as well as having discussions with other Councils to identify any areas for gaining synergy with contracts and therefore reducing costs all round while maintaining the require service level.
- 3.35 The Council is currently looking to engage more with Town and Parish Councils to try to improve communications and raise awareness to better enable residents to report issues such as dog fouling, overflowing bins etc. This is still in its early stages but will be a positive step and ensure that there is a more joined up approach to addressing problems.

Recommendation 6: It will be essential to ensure clarity on what the new IT is expected to provide and confidence that it will deliver this

- 3.36 To underpin the transformation of its serices, the Council entered into a contract to provide an IT platform with the aim of increasing customer ability to self-serve and enabling our case managers to get a single view of the customer – reducing double handling etc.
- 3.37 This IT platform (known as W2), helped the Council to achieve the savings through its transformation programme. The contract is however coming to an end and the Council needs to consider what IT solutions it needs to ensure it remains in the medium term.
- 3.38 An assessment of the current IT systems has been undertaken along with a number of review sessions with staff and Members in order to understand the limitations of the current technology.
- 3.39 The findings of the review sessions were considered in a workshop with the Senior Leadership Team and the Head of IT Practice with the output being a number of “Technology Principles” and a preferred way forward.
- 3.40 A detailed report setting out the preferred way forward for the future IT platform will be considered by Council in July 2019.

Summary

- 3.41 The report demonstrates positive progress in achieving the action plan since it was agreed four months ago and the action plan sets out further actions that will be delivered over the next 12 months.

- 3.42 Monthly progress updates will be provided to Senior Leadership Team via the Councils Programme Board (which oversees all corporate projects) and we will provide short updates on further progress through the Member bulletin.
- 3.43 The Local Government Association best practice is for a smaller team to visit the Council to see what progress is being made. The Council will arrange with the LGA for a review of progress to be undertaken in Autumn 2020.

4. Options available and consideration of risk

- 4.1 The action plan has been agreed by Members and as such this report provides an update on delivery of that plan.
- 4.2 Many of the items within the action plan will be subject to separate reports, however consideration should be given to how frequently Overview and Scrutiny Panel require updates. It is recommended that the next update be in three months time given the number of actions that have September due dates.

5. Proposed Way Forward

- 5.1 To agree the progress made to date and confirm when a further update is due along with any areas where the Panel would consider a more in depth update.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	No direct implications – the report provides an update on an action plan previously agreed by Members
Financial implications to include reference to value for money	N	No direct implications – the report does set out a number of actions being taken to contribute to the future financial sustainability of the Council however no decision is being made on these in this report.
Risk	Y	The main risk is capacity and pace to deliver the actions in line with the action plan. There is a significant amount of work to be undertaken in a short space of time however project plans are in place to manage progress and this will be reported through the programme board to SLT on a monthly basis.
Supporting Corporate Strategy	Y	Overall the Peer Challenge recommendations contribute to the Council Efficiency theme however they cut across all strands of the Corporate Strategy
Comprehensive Impact Assessment Implications		

Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	None
Health, Safety and Wellbeing	N	None
Other implications	N	None

Supporting Information

Appendices:

Appendix A – Peer Challenge Action Plan Update June 2019

Background Papers:

Peer Challenge Action Plan Executive Report (Item E.85/18

<https://mg.swdevon.gov.uk/ieListDocuments.aspx?Cid=149&MId=1148&Ver=4>