

Corporate Peer Challenge **Wokingham Borough Council**

8 – 11 February 2016

Feedback Report

1. Executive Summary

Wokingham Borough Council (WBC) is ambitious and high achieving in many areas, supported by sound finances and enthusiastic, capable staff. The Chief Executive is well-respected both in and out of the borough, and the Leader and Executive members have a strong grasp of their portfolios. Some external partners have seen a real improvement in the council over recent years, and WBC is now seen as a “trusted partner”. The council has by no means exhausted opportunities to work more collaboratively with partners both within the borough and across Berkshire.

WBC has an impressive growth plan. Coherent and proactive, it is supported by sound finances and infrastructure, and WBC’s successful record of delivery has meant that the council enjoys a strong reputation among local developers and key partners such as the Homes and Communities Agency (HCA) for its approach on this agenda. The council is open to new ways of working and has established successful shared services, a housing company (Wokingham Housing Limited) and a trading company for adult social care services (Optalis).

The council’s financial management is strong and so far WBC has been able to achieve significant savings with minimal impact on front line services. However, the financial planning horizon for revenue spend is limited to one year and as such focuses on the short term. Linked to this, there is a lack of a strong vision for the area and the council’s role in shaping it, underpinned by clear principles and priorities, to provide focus for the medium term financial strategy and guide the next phase of savings. This means that there is limited opportunity to build in an effective lead-in period to consult with residents, partners and stakeholders on potential savings and to implement difficult decisions.

WBC has an iterative decision-making process, with most key decisions explored by the largest political group prior to going to the Executive. The process, although lengthy, does generate results, however there is tendency for there to be a focus on the short-term and a potential to limit transparency in decision-making. Although there are some examples of scrutiny adding value, generally overview and scrutiny is reactive and has a limited role in policy development.

The council has made significant efforts recently to improve the way it engages with local people, for example the community budgeting exercise used to inform budget setting for 2016/17, and this is a positive step. However, community engagement activity needs to be broader, deeper and earlier in the decision-making process.

WBC enjoys enthusiastic, innovative and capable staff and middle managers, who feel supported by senior management who ‘walk the talk’. The council has a strong record on ‘growing their own’ and has actively managed recruitment and retention issues. WBC is now embarking on an innovative 21st Century Public Servant organisational development programme.

The council has a great story to tell, not just on its impressive growth agenda, but it is missing an opportunity to celebrate its success – to staff, to residents and to partners.

There are a number of areas where WBC can build on this strong foundation to better position the council to respond to the challenges that the next phase of austerity will present. A clear vision for the future, developed in partnership with the community and partners, will help inform priority setting and medium term financial planning.

2. Key recommendations

Our key recommendations, outlined in more detail in the body of this report, are as follows:

- Don't be afraid to be bold – WBC has been successful when providing strong leadership for key projects. Apply this courage more widely.
- What are your real priorities? Determine how your services are going to meet resident needs, what priority are you giving to each service and redesign services accordingly
- Extend your organisational and financial planning horizons to include detailed modelling in your longer-term financial plans
- Think about your story of place – what is the unique role of the council in this environment, what is the role of partners, the voluntary and community sector, the community?
- Blow your own trumpet! Celebrate success widely and often in order to recognise staff efforts and increase morale, and share positive stories with partners and residents.

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 Wokingham Borough Council were:

- George Garlick, former Chief Executive, Durham Council
- Councillor Alan Jarrett, Leader, Medway Council
- Beverley Compton, Assistant Director for Adult Services and Health, North East Lincolnshire Council
- Nicola Monk, Service Director for Policy and Performance, Luton Borough Council
- Gilian Macinnes, Principal Consultant, Planning Advisory Service
- Kate Herbert, Peer Challenge Manager, LGA

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. 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 explore the extent to which Wokingham Borough Council is prepared to respond to the next wave of austerity.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. 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 Wokingham Borough Council, during which they:

- Spoke to more than 80 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 45 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 117 hours to determine their findings – the equivalent of one person spending 3½ weeks in Wokingham.

This report provides a summary of the peer team's findings along with suggestions for some next steps. It builds on the feedback presentation provided by the peer team at

the end of their on-site visit (8–11 February 2016). 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 issues raised may be about things you are already addressing and progressing.

4. Feedback

4.1. Understanding of the local place and priority setting

WBC has a very clear understanding about how the borough will physically develop in the future and is proactively driving growth and infrastructure developments to deliver against this vision. Although there is a detailed vision and delivery plan around Wokingham town centre, housing and infrastructure, there is a lack of detail around what Wokingham, the place, and Wokingham Borough Council will look like over the medium- to long-term.

Without this clarity of vision and priorities, there is a risk that increasingly difficult decisions will be taken on a piecemeal basis and may not be consistent in delivering the strategic objectives of the council. There is a need to clearly articulate the high-level, broad vision, principles and priorities for the council to provide a clear framework within which to develop and review services, and to inform the difficult decisions to come. In shaping the overarching vision and priority setting, while remaining aware of the needs of their own localities, Councillors will need to ensure that there is a focus on the strategic needs of the borough.

Such clarity around the focus for the borough will also be essential to shape strategic relationships with partners and the way in which WBC engages with those partners. Structures for some key partnerships are now well established, for example the framework for health integration, and it is widely understood that there is now a need to focus on the pace of delivery and the achievement of outcomes using these as levers.

There are a number of opportunities to strengthen key partnerships further, such as with the voluntary and community sector (VCS), to better channel community engagement and co-production initiatives in a cost effective way. These partnerships will be critical to successfully mitigating the impact of difficult decisions the council may have to take in the future.

The council has a number of examples of innovative work, for example the commercialisation of discretionary services in Environmental Services, and delivering improvement, for example the Children’s Framework which is on track to improve services over the next 9 months and is well-regarded by Ofsted.

Suggestions

- For the council, review the vision and priorities to develop a more specific direction to help inform the difficult decisions to be made.
- Consider whether you have the right strategic partnerships – with the right partners – in place to support delivery of priorities.

- Design your engagement with the voluntary and community sector in a way that promotes an ongoing, healthy and productive dialogue – as equal partners.

4.2. Leadership of place

Wokingham is the Department of Communities and Local Government's 'go to' example of successful delivery of strategic housing development accompanied by the infrastructure to create sustainable communities. This is far from the norm. WBC has demonstrated a strong vision in this area of activity, coupled with leadership and commitment to achieving that vision, and quite rightly the officers and members of the council are proud of what has been achieved to date and what is in train.

There are a number of examples of how WBC is providing leadership of place:

- The Wokingham Town Centre regeneration scheme, having recovered from an earlier delay, is now well underway and is widely thought to be a strong and sustainable development programme, underpinned by good internal working across council teams and effective working relationships with developers.
- Business partners hold the Economic Development Team in high regard and appreciate the various ways the council engages with them.
- WBC's role within the Berkshire 10 Partnership is seen as very positive in supporting the delivery of an accountable care system
- The Chief Executive has been visible with the voluntary and community sector and is seen as being open and honest about the challenges being faced
- Members are in touch with the quality of life factors that make Wokingham an attractive and sustainable place to live (for example a commitment to social rent and affordable market rents; insisting on pets being accepted and balconies fitted in a new Extra Care housing development)

There is an opportunity for WBC to develop its place-shaping role further, to bring together partners across the public, business, community and voluntary sector space to develop a shared vision of how Wokingham will look in the long-term and each partner's role in making the vision a reality.

Some external partners have seen a real improvement in the council over recent years, and WBC is now seen as a "trusted partner" by neighbouring boroughs. There is no political appetite for pursuing the devolution agenda in Berkshire, favouring instead more shared service arrangements. The council should actively seek out opportunities for increased closer working with neighbouring authorities to capitalise on economies of scale.

There are wider skills gaps affecting local employers across the borough, including difficulties recruiting construction workers and senior leaders in schools. Furthermore, the relatively high cost of living in the borough has prompted challenges in filling lower paid roles. There is an opportunity to bring a broader group of partners together to tackle these issues. Working together to package Wokingham as a great place to live and work, for example, would be a prime opportunity to develop more productive relationships with the major employers and investors in the Borough.

The council has successfully used strong communications to explore controversial strategic issues with local people, not least the debate around the housing agenda. WBC is increasingly seeking to strengthen consultation and engagement with residents and stakeholders. The recent community budgeting exercise used to inform budget setting for 2016/17, is an example of WBC exploring new ways to engage local people and deepen the council's understanding of local concerns, and this is a very positive step. However, community engagement activity needs to be broader, deeper and earlier in the process, should provide meaningful opportunities to shape service design and decision making, and take care to ensure that plans are not blown off track by a vocal minority.

Suggestions

- Develop with partners a long-term vision for the Borough and clarify the roles of the council, partners, and the community roles to deliver this
- Build on the strong start you have made on public consultation and engagement
- Following the publication of the Skills Priority Statement, are you confident you are addressing any skills gaps in the area, not just for council workers?
- Develop a joined up public sector campaign to promote Wokingham as a great place to work to support public and private sector recruitment
- Prioritise exploring increased joint working across Berkshire.

4.3. Organisational leadership and governance

WBC is well-led, with a Chief Executive who is well-respected by staff, the Leader and members, and partners both in and outside of Wokingham, and a Leader and Lead Members who have a good understanding of their portfolios. Members of the Corporate Leadership Team (CLT) are approachable and staff believe that they 'walk the talk'. The Extended Corporate Leadership Team is helping to promote more integrated working across departments

There are increasingly good working relationships between members and officers. The Joint Board is a good way of bringing CLT and Executive Members together to explore key issues, and there appears to be emerging clarity about their respective roles. Members and officers both recognise that transformation is needed and are committed to the 21st Century Public Servant programme and appropriate management is being put in place to support this.

However, it is not clear how WBC sees the '21st Century Elected Member' and how this is being incorporated into the wider 21st Century Public Servant organisational development approach. More widely, there seems to be limited support for member development and it would be useful for the council to consider how members should be supported to embrace their roles as modern community leaders. It may be helpful to explore options for member development such as the Member Development Charter Programme and the LGA's Leadership Academy/ Leadership Essentials.

The largest political group explores key decisions prior to them going to the Executive. This works well in helping smooth the flow of decisions, but creates an elongated decision-making process, leading to a tendency to focus on the short-term. It could also be seen as limiting transparency in decision-making. It is worth considering whether the perception that all decisions have to go through a political process mean that relatively simple service changes may not be proposed.

There have been some good examples of overview and scrutiny activity adding value, for example task and finish groups (on non-contentious issues), and scrutiny of the post-Ofsted action plan performance. However, generally overview and scrutiny is reactive and has a limited role in policy development. There is a need to think about how the council can ensure that scrutiny provides effective challenge for the council, for example evaluating different options, performance monitoring, and assessing delivery of outcomes. Linked to this, there is a wider issue of how opposition members can be involved in policy development.

Performance management and monitoring has improved over recent years, but there is more work to do to ensure that it links to council priorities, has meaningful and clearly understood targets, and is actively managed by managers, executive members and overview and scrutiny. Furthermore, the council should seek to maximise opportunities for shared learning across the authority.

WBC has a great story to tell and not just on its impressive growth agenda. However, the council is missing an opportunity to celebrate its success and to promote Wokingham to staff, partners, residents and beyond.

Suggestions

- Further clarify roles and responsibilities of members and officers – is the risk that unnecessary escalation of decision-making to members stifles innovation?
- Consider how overview and scrutiny can add value in light of the political context
- Explore options for member development
- CLT and Executive Members need to demonstrate ownership of performance management, and staff development should be clearly linked to productivity and achievement of corporate outcomes
- Celebrate success – shout from the rooftops!

4.4. Financial planning and viability

The council's financial management is strong, with no major overspends or underspends, and so far WBC has been able to achieve significant savings with minimal impact on front line services. An asset rationalisation programme is underway with an accelerated delivery timescale, there is a commercial approach developing across the council, and re-procurement exercises have generated £100k savings in environmental services. The almost 10% return expected from the Wokingham Town Centre regeneration project is impressive.

There is good, early, high-level member engagement in budget setting via the Joint Board and the largest political group, and a positive approach to community engagement on the 2016/17 budget this year.

However, the level of detail in the public papers for the 2016/17 budget setting was extremely limited, with very little detail about the savings (or growth) proposed and the potential impact of each of the proposals. The debate seems largely to have taken place internally, with limited potential for public scrutiny. It is essential that members are given sufficient level of information to be able to consider, question and challenge the proposals put before them, and that there is transparency for local people around the savings proposed.

Furthermore, the financial planning horizon for the revenue budget is limited to one year and the Medium Term Financial Strategy (MTFS) contains no detailed forward plans. The lack of a strong vision and priorities for the council means that there is no focus for the medium term financial strategy to guide the next phase of savings, and that there is limited opportunity to conduct effective consultation with residents, partners and stakeholders to discuss difficult decisions.

Given the financial challenges to come, it would be worth ensuring that the medium to long-term cost implications of demand around adult services are understood, and in light of legislative and financial changes it would be worth reviewing the future of Wokingham's own housing stock.

There is a need to deepen the understanding of the long-term potential trade-offs available to the council and community, including considering all options that may in years gone by have been considered as 'sacred cows'.

We understand that there has recently been a somewhat broader involvement across Corporate Leadership Team in financial planning. This has been welcomed by senior managers and this should become standard practice. Financial planning is a critical council-wide, functional issue, and not an issue for the finance department alone.

The council is willing to consider new ways of working, for example shared services, commercialisation of parks, and creating company structures, and work on asset rationalisation is moving in the right direction. It is important that WBC ensures that there is a strategic approach to exploring other delivery models and that it is making optimum use of existing companies/ models (Optalis, Wokingham Housing Company, etc) and growing these businesses sustainably. The council should also take care to ensure that commissioning and procurement processes do not shut out smaller, local organisations.

As part of the above suggestion for WBC to develop its place-shaping role further, it is important that the council considers what the future relationship of the council, partners and the community in Wokingham looks like to meet local need in the medium- to long-term, and develop a shared agenda around this. Furthermore, the council should tap into the resource offered by the community, voluntary sector and partners to help to shape future service delivery and achieve savings.

Suggestions

- Increase transparency around financial reporting
- Develop a medium term financial strategy that provides medium-term planning around future budget envelopes and the nature of required savings
- Broaden the ownership of financial planning – it is a critical council-wide, functional issue, not an issue for the finance department alone.
- Ensure that members have a full range of savings options in front of them, with an understanding of impact
- Consider flexible use of capital
- Undertake a review of the future of WBC's own housing stock

4.5. Capacity to deliver

WBC enjoys enthusiastic, innovative and capable staff and middle managers, who feel supported by senior management who 'walk the talk'. The latest staff survey results were very positive and give a strong sense that the organisation 'looks after' its staff, and this was echoed in our discussions with staff while on site. There are few HR issues, improved levels of attendance, and SMART ways of working have delivered significant savings for the council.

The council's approach to organisational development is supporting a committed workforce to develop and remain with the council, and WBC has a strong record on 'growing their own'. There is a strong awareness of key skills gaps for the authority and the council has actively managed recruitment and retention issues, tailoring approaches for some of these, for example career paths for planners, special terms & conditions and benefits for children's social workers (praised by Ofsted), and apprenticeships. There are also successful collaborative working initiatives in place across Berkshire to avoid local councils 'poaching' key staff from neighbouring boroughs. This work could be widened to address workforce recruitment and retention across the public sector, for example recruiting teachers, identifying more key worker housing.

WBC is now embarking on an innovative 21st Century Public Servant organisational development programme, which will develop a clear vision and direction for WBC workforce and members. This should explore how to align workforce to productivity and outcomes, and begin to address what the '21st Century Elected Member' looks like for WBC and how the council can support members on this aspect of the transformation programme.

WBC has strong relationships with some partners and voluntary and community sector (VCS) organisations resulting in good examples of delivery, for example adult social care maximising opportunities around coproduction. There are further opportunities to explore closer working with partners such as town and parish councils, VCS organisations, fire and police services. There is a need for the council to demonstrate to partners how much it values them, to build trust and reinforce the sense of working together as equal partners.

The early conclusions from the VCS Review (which was yet to report when the team was on site) were that the local VCS was delivering high quality services and value for money. The council should consider how it can work with the VCS to capitalise on this to increase the local capacity to deliver. Key to this will be to ensure that there is strategic leadership of the council's relationship with the VCS (for example a single point of contact) and that the council acts as a responsible partner to the sector as far as it can, for example at least 3 months' notice of funding agreements, considering 3-year funding agreements, regular monitoring of delivery against SLAs for grants/contracts with organisations, paying bills on time, involvement in service design and regular engagement. This will support the VCS to have strong and sustainable financial footing.

The issue of elections by thirds was raised with the peer team, with the suggestion that elections every three years out of four was having an impact on the business of the council ("The real business gets done between September and November"). It is not for the Corporate Peer Challenge process to advise a council on its electoral arrangements, but the council should consider whether the electoral cycle does indeed impact adversely on decision-making, and if so how to address this.

Suggestions

- Work with members to develop a programme of development that supports the '21st Century Elected Member'
- Ensure that the impact of staffing reductions are identified and do not undermine the delivery of priorities
- Widen collaborative approaches to addressing workforce recruitment and retention across the public sector
- Identify organisational leadership around relationship with the VCS and ensure a strategic approach to longer-term grant giving and commissioning of the VCS. Consider establishing a Compact between the VCS and the council (and other partners) to set out how all partners will engage with each other

4.6 Preparedness to respond to austerity

It is difficult to take a view on whether the council is well-prepared to respond to the next wave of austerity because WBC's revenue plans are only clear for the short-term.

The council has been bold on numerous occasions to put in place new and innovative models of working, for example parks that are now self-financing, shared services with other councils, and establishing the housing company, and there is clearly a willingness to push this further. Members are increasingly coming to understand the realities of the financial situation and the impact for the council.

However, if all the 'low hanging fruit' has been picked as has been suggested to us, the council needs to ensure that the transformation plans have sufficient pace to be able to mitigate the impact of the funding situation anticipated in 2019/20

Furthermore, it is important that WBC thinks about how it can embrace collaboration and multi-agency working across both Wokingham and Berkshire to deliver further

change at scale and pace. The council must ensure that it has the right partners in place, that there is clarity about the role of the council and the role of partners in delivering a shared vision, so that all players are making the best contribution they can. WBC also needs to consider whether it is being open enough with partners: Is there a shared understanding of each other's priorities (and to what extent are these shared priorities) and each other's challenges (including scale of financial challenge) to explore opportunities to effective joint working?

Wokingham is asset rich as a locality and the council should consider whether it is making the most of those assets. Wokingham also had a low dependency community and a wealthy population that potentially could pay more and take on more to retain the services they feel they need. WBC should consider how to start this conversation with the local community.

5. Next steps

Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council 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. Mona Sehgal, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are 07795 291006/ Mona.Sehgal@local.gov.uk.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA 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 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 12-24 months.