

# Corporate Peer Challenge **West Lindsey District Council**

Tuesday 21 to Thursday 23 January 2020

Feedback Report

## 1. Executive Summary

West Lindsey District Council (WLDC) is a well-run and proactive council. It is delivering and planning a range of successful customer focused services and physical assets for its residents, visitors and businesses.

The core of this success and progress is the council's passionate, proactive, open, honest and customer-focused officers and councillors. Staff feel generally supported by the council to do their job and develop new skills. They want to do their best, have a strong customer ethos and want to maximise their interactions with customers to address their wider as well as immediate needs and in doing so reduce service demand.

WLDC uses a wealth of regular, reliable information and creates from it a comprehensive picture of the district. This picture, and the wider information behind it, enables the council to make informed, evidenced based decisions on its corporate and service level aspirations, priorities, strategies and plans in a robust way.

There are clear linkages between the council's priorities, strategies and plans, clarifying which teams are doing what and why. These linkages are also made within and between the council's key wider partnership plans, eg the Greater Lincolnshire Local Enterprise Partnership Strategic Economic Plan and the Central Lincolnshire Local Plan.

The council should consider developing a cultural strategy. There is much potential to align and increase the use of, and maximise income from, the district's existing and planned cultural assets, such as the Trinity Arts Centre and the planned multiplex cinema in Gainsborough.

There is a perception throughout the district that WLDC is 'Gainsborough centric' in terms of where it is focusing its attention and activities. A lot of work is taking place in Gainsborough due to social and economic problems that are impacting on the wider district as well as its own population. The council is also undertaking a variety of work throughout the district as a whole. All of this work however is not being effectively communicated, and stakeholders are only aware of the work they see, hear about or are directly involved in. As a result, local people tend to hear more about what's happening in Gainsborough than in the wider district. This has contributed to this 'Gainsborough centric' perception. The council should therefore improve its communications with stakeholders to address this and other issues outlined in this report.

Financially, WLDC is in a relatively strong position. This is particularly due to the council's sound financial management, robust control and successful implementation of its commercial plan. The latter however comes to an end this year, so decisions need taking to develop a new plan. Uncertainties about future government funding, Brexit and its economic impacts have led to an understandable pause in commercial and financial planning. This should however be a 'purposeful pause' and used for proactive reflection, planning and activity.

At present there are too many big, interdependent internal programmes running at the same time. Some have come to a natural pause, and some require key decisions and actions. These multiple programmes, projects and related pauses are causing confusion, concerns and pressure amongst staff and having a detrimental impact on their capacity. There is a notable number of temporary appointments, including acting up and other interim arrangements, across the council. These temporary arrangements are creating pressure in services, adding to uncertainty for staff and need resolving to improve overall organisational capacity, staff wellbeing and clarity of direction. These programmes therefore need rationalising through a strategic approach that takes all these factors into account.

The council is spending significant time on performance measurement that could be better spent on proactive performance management, ie using performance information to actively consider what is and is not working, why, and deciding who needs to take what action, and when, to improve outcomes. Some teams are recognised as high-performers as a result of their successful approaches to performance management but there are inconsistencies between services. Opportunities are therefore being lost to deploy resources and staff to best effect to deliver the council's priorities.

The council's strong corporate performance and project management functions can further assist with some of these issues. These committed teams can offer additional support to all teams and project managers to enable them to best manage their performance and projects.

## **2. Key recommendations**

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the council:

- 1. *Implement the new structure*** – *this should be completed as soon as possible and include the senior management structure as well as the structure of council departments including the resolution of temporary arrangements. As far as possible this new structure should seek to ensure the right number of employees with the right skills and experience are in place in substantive posts in order to provide clarity and a firmer footing to enable delivery of the council's priorities.*
- 2. *Reduce the Customer First Programme to its core and 'rebrand' it*** – *its objectives are sound but the vision is currently too big and undeliverable, with some confusion about its overall purpose or vision. It has had its successes, eg in service redesign, so has potential for more. Engage your staff, who want to serve customers to full effect, to consider what customers really need and therefore what you need to do to meet those needs. Develop a new programme that offers a clean break from the current one.*
- 3. *Use the 'purposeful pause' regarding commercialisation and financial planning to understand and identify where future income and savings should come from*** – *there is understandable uncertainty about local government funding, Brexit and economic conditions generally but use your financial strength, commercial success,*

momentum and strategic economic thinking to shape your next steps. Much of your potential could be lost if you do not make the most of this pause.

4. **Clarify what 'social regeneration' means to the council, what it will deliver and how to resource it** – the peer team heard about this new concept throughout its visit as a possible development or even replacement as a new approach to growth. There were however different interpretations within WLDC of what it could mean. The council therefore needs to clarify and agree exactly what it is and is not. This clarity will enable WLDC to decide if social regeneration should be part of its longer-term plans. If so, the council can then confirm its purpose, and plan the required activities and resources.
5. **Improve communications with all stakeholders** - to keep staff and councillors abreast of developments and decisions so they are clear about what they need to do. To improve relationships and trust, inform all district stakeholders regularly about what the council is doing, why and explain how they can be kept updated and get involved.
6. **Use the Local Plan Review process to ensure the viability and deliverability of allocated housing sites across the District** – the current Local Plan sets challenging housing targets, a review of the objectively assessed housing need, alongside the proposed allocations required to ensure targets remain deliverable. It will be essential to use your political leadership to inform and influence the next Local Plan.
7. **Review the overview and scrutiny function** – there are mixed views and questions about the function generally, including its effectiveness and purpose. This was reviewed about 18 months ago but there are already differing opinions about the value it adds. A further review is therefore needed to identify the function's value and how it can be most effective, in particular how it can engage all members constructively.
8. **Ensure a structured approach to workforce and succession planning** – WLDC has an ageing workforce, there are pressures on staffing capacity and potential 'single points of failure' – where there will be no or insufficient cover if certain staff are absent or if/when they leave the council. You also have a large number of staff on secondment and acting up, and this has added to an air of uncertainty for your teams which has also informed recommendation 1. All of this needs addressing before these issues reach crisis point.
9. **Ensure performance management processes are consistent at service level** – you have a corporate performance management team that want to support team managers to improve performance rather than report it. Further engage with team managers as necessary to enable this.
10. **Consider a cultural strategy** - there is potential to align and increase the use of, and maximise income from, your portfolio of existing and planned cultural assets.

### 3. Summary of the Peer Challenge approach

#### The peer team

Peer challenges are delivered by experienced councillors 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 were agreed with you. The peers who delivered the peer challenge at WLDC were:

- Malcom Johnston, Executive Director, Rother District Council
- Stephen Parker, Former Leader, Hart District Council
- Caroline Ryba, Head of Finance & Section 151 Officer, Cambridge City Council
- Vickie Lee, HR Services Manager, Wychavon District Council
- Martin Hammond, Executive Director, Kettering Borough Council
- Penelope Galvin, Programme Support Officer, Local Government Association
- Vicki Goddard, Peer Challenge Manager, Local Government Association.

## 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 how that influences priority setting: How well does the council understand its local context and place, what evidence has been used to inform and define the council's "place", a clear vision and its priorities? How well is the council achieving against those priorities? How well are those priorities reflected in our vision and the themes set out in the Corporate Plan? For example, how is the council delivering against its commitment to support Vulnerable Groups and Communities or growing the District's economy.
2. Leadership of Place: Does the council provide effective leadership of the District, within but also beyond the council's boundaries and the wider place – across Greater Lincolnshire, and the East Midlands; through its elected Members, officers and constructive relationships and partnerships with external stakeholders?
3. Financial planning and viability: Does the council have a plan in place to ensure long term financial sustainability and is there evidence that it is being implemented successfully? How aware is it of its costs compared to similar councils? Is the council maximising appropriate sharing and commercial opportunities to enable reinvestment in services and to contribute further to self-sufficiency? For example, is the council's approach to investing in out of area commercial property conducted in an effective and safe way?
4. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements? Are these arrangements fleet of foot, responsive to key challenges and opportunities and enable change and transformation to be successfully implemented? Are elected and officer roles clearly defined and relationships constructive? Is the way the council operates its committee system fit for purpose, and is overview and scrutiny function effective and adding value? How well does the council manage its performance to ensure that the corporate objectives are achieved – what used to be called the "Golden Thread", from corporate objectives through to the delivery of the services on

the ground. Is the form of the proposed new officer structure likely to support and facilitate the delivery of the council's corporate objectives?

5. *Capacity to deliver:* Is there sufficient corporate capacity and is it aligned with priorities? Does the council influence, enable and leverage external capacity to focus on agreed outcomes? Are resources available in the right areas at the right times to grasp opportunities or address issues and emerging priorities? Is the culture one where colleagues across the council feel empowered and where good customer service is an outcome? What is the impact of the council's Customer First Programme? Is the council making the most of new technology, such as artificial intelligence, to reduce demand, improve efficiency and to effectively put customers at the forefront of what the council does?

You also asked the peer team to review service performance, eg whether:

- the council has sufficient overview and insight into the performance of service areas
- this information drives improvement, prioritisation and the allocation of resources
- the council is measuring the right things
- value for money is understood as a concept and is evident in services
- the Customer First Programme has been effective to date in focusing on customer satisfaction across all service areas and turning customer related data into intelligence to improve performance.

These have been addressed throughout the report.

### **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge every 4 to 5 years. WLDC had a Corporate Peer Challenge in September 2011. Where relevant to do so, findings from that previous peer challenge have been referenced in this report.

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 three days onsite at WLDC, during which they:

- spoke to more than 98 people including a range of council staff together with councillors, external partners and stakeholders

- gathered information and views from more than 31 meetings, visits to key sites in the area and additional research and reading
- collectively spent more than 250 hours to determine their findings – the equivalent of one person spending almost 7 working weeks in WLDC.

This report provides a summary of the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit on Thursday 23 January 2020. In presenting feedback to you, they have done so as fellow local government officers and councillors, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority setting**

WLDC uses a wealth of regular, reliable information and data across its services and functions to inform and shape its priorities and aspirations for the district. This includes the council engaging with its communities, including vulnerable people and deprived localities, to work with them and seek their views, which local community groups spoke well of. The council brings together many of these sources to produce its annual State of the District report, which provides a focused yet comprehensive understanding and picture of the district. All this information enables the council to decide its corporate and service-level aspirations, priorities, strategies and plans in a robust, informed and intelligent way.

Community groups commented that the council wants to work well with communities and has made significant, positive changes in doing so in the last two years. This work has however been potentially undermined by resourcing and staffing issues and their impacts, as outlined elsewhere in this report. The communities team for example is what remains of a previously larger team, and whilst strategic information is shared relatively well, community level information is not, requiring a systematic approach to do so. Additionally, there were concerns regarding the reorganisation and acting up arrangements within the council’s housing services to address their under-resourcing. The separate workstreams of the communities team and the housing intervention teams could be more closely integrated.

There are clear linkages between the council’s priorities, strategies and plans, which are also highlighted within and between the council’s key wider partnership plans, eg the Greater Lincolnshire Local Enterprise Partnership Strategic Economic Plan and the Central Lincolnshire Local Plan. These linkages at both council and partnership level clarify who is doing what, in which area, and why. These linkages also evidence the council’s understanding and influence within the area, ensuring that West Lindsey district plays its fullest part within the wider Lincolnshire area, eg in terms of economic growth and housing.

These well-informed council and partnership priorities, strategies and plans have set a clear path for the successful delivery of many recent significant physical and long-term developments and plans for the district. Examples of this include the completion last week

of the district's first crematorium, previous completion and opening of Gainsborough's first hotel chain - a Travelodge, transformation of the town's former Britannia House warehouses into the flourishing Marshall's Yard retail park, the development of a new multi-facility leisure centre in Market Rasen that is due to open this year, and the council's plans for a multiplex cinema in Gainsborough.

In light of the council's plans for a multiplex cinema and the steps the council will need to take regarding its future commercialisation plan, the council should consider developing a cultural strategy. This will ensure that all the cultural assets of the district are maximised. Several people spoke about plans to screen films at Gainsborough's Trinity Arts Centre but no connection was made to the plans for a multiplex cinema, which will be direct and strong competition. There are also other opportunities to best utilise cultural assets across the district, eg how the centre and other facilities such as leisure centres could be used to host a range of events. A cultural strategy would enable these assets to work with and complement one another, rather than directly compete against each other. A cultural strategy could also inform more operational plans so that, for example, decisions could be made so that film screenings do not compete with one another. Decisions like these will ensure maximum cultural and social gain, attract the most visitors and generate the most income.

## 4.2 Leadership of Place

Strategic partners whom the peer team met all spoke well of how WLDC is working in partnership with its stakeholders in the wider Lincolnshire area. Partners and key economic and local plans outlined how the council's strong political and managerial leadership is ensuring that within the wider area:

- WLDC is positively influencing place-shaping through partnerships' agenda
- the West Lindsey district contributes and plays its fullest part, particularly in terms of economic growth and housing
- West Lindsey receives the maximum benefits, eg in terms of transport links, jobs, cultural and leisure opportunities.

With so many visible, positive developments in Gainsborough however, compared to other parts of the West Lindsey district, various stakeholders raised that WLDC seems 'Gainsborough centric' in terms of where it is focusing its activities. The council's main offices are located in the town at the far west of the district. Other parts of the district however have had their community outreach work significantly reduced, eg to a weekly two-hour session in Market Rasen in non-WLDC premises. Such differences strengthen the perception that the council is Gainsborough centric.

The peer team learned through its background reading and meetings generally however that the council is delivering and working with partners on a range of work across the whole district, including providing reliable broadband, enhancing neighbourhood planning and parish charters, building the new leisure centre in Market Rasen, and converting offices in Caistor into new health services and accommodation for older people. The peer team also learned that much work is happening in Gainsborough to tackle social, health



and economic problems that are impacting on the wider district as well as the town. The peer team heard a particular quote that summarises the council's approach to this, "We can't have a successful West Lindsey without a successful Gainsborough." Despite hearing about all this district-wide work, the peer team did not hear as much about how WLDC is communicating these developments, its reasons for Gainsborough specific work, and how it is engaging with communities on all this work. This may be contributing to this Gainsborough centric perception, which may also be impacting on stakeholders' views of and trust in the council.

The council should therefore improve its communications with stakeholders to address this and other issues outlined in this report. Improving internal communications will keep staff and councillors up to date with developments, decisions being taken, what they need to do and how they can be supported. It will also enable them to promote their work and engage with their wards, residents and other customers further. Improving external communications with stakeholders will similarly help ensure that residents, partners, visitors, businesses and others know what WLDC is doing, why and how to get involved.

One notable project that WLDC can learn from regarding successful communications and engagement is its community broadband work. Various stakeholders mentioned how much they value the council's work with them to deliver high-speed broadband throughout the district, particularly given its rurality and related difficulties in delivering such provision.

The council has a very challenging Local Plan target to build 4,435 new homes in the Gainsborough area. The target also represents a 40 per cent increase in Gainsborough's population. This will significantly impact on physical and social infrastructure, eg roads, broadband, schools and health provision, as well as community identity, which the council will need to thoroughly plan for and resource. The Council should therefore refresh and review the evidence base, particularly in relation to the Housing Needs Assessment and incorporating the Economic Assessment as well as the full Plan Viability Appraisal to ensure there is a robust understanding of the needs and viability of housing delivery within the District. Alongside this, ongoing monitoring and review of allocated sites taking into account landowner and developer feedback will be key. WLDC political and managerial leadership must then use this understanding to inform and influence the next Local Plan accordingly.

'Social regeneration' is a developing concept that the council is considering as part of its approach to growth. This was raised by several councillors and officers with the peer team onsite. It potentially includes ways to raise funds and finance activities on a more local basis within the district to help make more of an impact within communities. There were different interpretations however of what social regeneration is or could be. WLDC therefore needs to clarify what it is and what it is not. This will enable the council to decide if social regeneration should be part of its longer-term plans and if so, it can then confirm its purpose and plan the required activities and resources.

### **4.3 Organisational leadership and governance**

The peer team witnessed strong, positive councillor/officer relationships across the council, especially between the Leader of the Council and the Chief Executive. The peer team got a definite sense in talking to officers and councillors that there is clear, mutual understanding and support of each other's roles and that councillors and officers work well together.

WLDC is a very self-aware, open and honest organisation. This has been evidenced from the beginning of the preparation of this peer challenge. In scoping the challenge, the Leader and Chief Executive were clear what they wanted the team to focus on to drive the council forward. WLDC's peer challenge position statement clearly stated what the council's challenges are. The Chief Executive encouraged councillors and staff to be honest with the peer team, and everyone the peer team spoke to highlighted constructively where the council could improve but also what it is already good at.

Governance has improved and has been sustained generally as evidenced through annual internal and external governance statements, other related documents and meetings with relevant councillors, officers and external audit. There is a culture of honesty at the council in which issues can be raised, discussed and are able to be resolved before they escalate.

The council makes its political decisions through a committee system, one of four governance options available to councils. Through this system, a council establishes a number of committees, each with a specific area of responsibility, which generally enables more councillors to be actively involved in decision making but it can take longer to reach decisions. In the case of WLDC however, the latter is not the case, and decisions are made in a timely way. WLDC's committee system comprises 14 committees and is working well as a whole. Committees make their own decisions, or where appropriate, a delegation to the Chief Executive may be agreed in consultation with the Leader of the Council or the Chairman of the relevant committee. Councillors who met the peer team spoke well of the system, highlighting that decision making is no slower than other governance models, and that decisions that need making quickly can be done so.

The peer team however heard mixed views from officers and councillors about the overview and scrutiny function, which was reviewed about 18 months ago. Some comments were also made about the working of the committee itself. The actual function is still deemed important, even though it is not required as part of its committee system, but people are questioning its effectiveness since the review and whether it can be improved. The council should therefore consider reviewing the function again as appropriate to identify how to improve its effectiveness. This will also provide an opportunity to constructively engage all councillors in priority setting, so that they are involved in the core decision making of the council.

Operationally, through background reading and in talking to officers, the peer team quickly identified that WLDC is developing and running too many big internal programmes, plans and projects at the same time. This is putting unsustainable pressures on officers. The programmes include:

- plans for new IT systems, eg enterprise resource planning (ERP) comprising financial and performance management with options for HR, assets and project management – and customer relationship management (CRM)
- a new senior management structure
- the current Customer First Programme
- the future income generation and commercial plan, which comes to an end in 2020.

Many of these programmes are interdependent, some have come to a natural pause and/or require key decisions to progress them. These pauses and delays are causing confusion, concerns and pressure amongst staff, who are not sure of the council's priorities and what they should focus on. As a result, staff are being pulled in different directions, stretching their capacity. These programmes therefore need rationalising to confirm priorities and re-set the direction of WLDC.

To help rationalise and redevelop these programmes, the council should make the most of its corporate project management team's expertise. This team is already working with others across the council to ensure every project undertaken, regardless of size, is managed and delivered effectively. This includes ensuring risks are identified and mitigated; links to other related projects are made to maximise resources, results and impacts; and projects are delivered on time, to budget or amended as needed.

The council has reinstated a Chief Executive model, and the new Chief Executive has been appointed and is in post. Staff know that a new, wider senior management structure has been in preparation for a while but the delay in announcing it is causing concerns and tensions. Staff do not seem to know what is happening, some are feeling the pressure of their additional, acting up or otherwise temporary roles and responsibilities, and these pressures are rising. The remaining senior management structure therefore needs finalising as soon as possible.

As part of this, the peer team recommends separating the statutory roles, so that they are each undertaken by different individuals in the interest of good governance. The Chief Executive's current role for example includes that of the Section 151 Officer. Separating these roles will reduce any potential conflicts of interest and risks associated with the absence of any of those officers. In WLDC's case, it will also have the added benefit of doubling its Section 151 experience, which would be held by both a new Section 151 Officer and the Chief Executive.

Once the new senior management structure has been agreed, the council needs to announce it to staff and implement it as soon as possible. This will enable the council to resolve other temporary appointments across the council, as outlined further in section 4.5, and subsequently confirm the whole structure. This will address many staff questions and concerns, enable them to make informed decisions about their confirmed roles, responsibilities and workloads, and help improve staff morale and wellbeing.

Good communications can assist a number of these issues. Improving internal communications will help staff and councillors keep up to date with developments,

decisions being taken, what they need to do and how they can be supported. The peer team were informed of a range of mechanisms used to communicate with councillors, office and non-office-based staff. The challenge therefore is to make the most of these mechanisms on a regular basis.

The council has a strong corporate performance management team that wants to support and enable service teams to proactively manage their performance. Teams are however spending significantly more time manually drafting and presenting labour intensive performance reports in Word and Excel. Each report can take a week to produce because there isn't a corporate performance management IT system that can automate, present and save the data and information required. The corporate performance management team is developing service level dashboards to assist services in their performance reporting. This will assist with consistency across services but being based in Word and Excel, it still looks to be labour intensive. The council therefore needs to agree a corporate performance measurement IT system as part of its wider new IT system as soon as possible, so teams can spend more time managing rather than just reporting performance.

The corporate performance management team in the meantime is training and supporting team managers to enable them to manage their performance more proactively. Finance, waste collection and recycling teams are recognised as leading the way on this and are using the cycle of identifying performance issues and how they can be improved, planning those improvements and monitoring differences made to manage performance. Some service team managers are regularly sharing performance information with their staff. The peer team did not however hear or see how teams across the whole council are consistently using the information to manage performance and thereby drive improvements. These inconsistencies mean that opportunities are being lost to deploy resources and staff to best effect to deliver the council's priorities. The corporate performance management team is in a strong position however to continue its work with all service team managers, and to engage more advanced teams to help others.

The corporate performance management team also co-ordinates quarterly service level performance management reporting on an exception basis to the senior management team. The latter advises and can commission support to help address service performance, ensuring that performance is managed corporately, as well as at service level.

#### **4.4 Financial planning and viability**

Financially, WLDC is in a relatively strong financial position, as evidenced through its Statement of Accounts and Medium Term Financial Plan (MTFP). Various councillors, officers and external stakeholders, such as external audit and internal audit (delivered by Lincolnshire County Council under a Service Level Agreement) spoke of its strong financial management and governance.

Key drivers of this position include robust overview and control through its Section 151 Officer, the Deputy Section 151 Officer and the wider finance team. Intelligent use is made of comparative data, from sources such as [LG Inform](#), Grant Thornton's CFO (Chief

Financial Officer) Insights and the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Financial Resilience Index. Additionally, the finance team has driven improvement in their service delivery by implementing a business partnering approach. This approach has focused on ensuring value for money and a commercial approach across the council.

WLDC's MTFP is a comprehensive document, covering a five-year timescale from 2019/20 to 2023/24. The council's revenue budget for 2019/20, excluding parish precepts and drainage board levies is £12.4m. The capital programme totals £37.4m over the years 2019/20 to 2023/24. Prudent assumptions have been made in relation to local government funding streams to identify a funding gap of £485k by 2023/24. This represents approximately three per cent of net operating expenditure. The funding gap is projected to reduce to £340k by 2028/29 as outlined in the MTFP. This projection uses assumptions on pay inflation, council tax increases and forecast returns on business plans and investments that are expected to generate additional returns in the longer term. The MTFP does not identify which plans or investments are expected to provide these additional returns but acknowledges that these projections are indicative and could vary significantly. The MTFP does not yet identify how this savings requirement will be met.

As at 31 March 2019 the council held the following reserve balances:

- General Fund working balance - £3.849m
- General Fund earmarked reserves - £15.834m
- Capital receipts - £3.361m
- Capital grants unapplied - £0.587m.

WLDC has an approved policy of maintaining a General Fund working balance of at least 10 per cent of Net Revenue Expenditure and as a minimum £2m. The balance above represents about 26 per cent of Net Revenue Expenditure, comfortably exceeding the prudent minimum balance set. At 31 March 2024, projection of General Fund reserves shows the working balance and earmarked reserves reducing to £2.8m and £6.2m respectively.

Plans for efficiencies from investment in technology through the Customer First Programme and additional income from commercial opportunities are being progressed but are insufficiently advanced to be included in the MTFP. However, the council has a record of delivering against savings requirements, having successfully managed the loss of £4m of Revenue Support Grant since 2013/14.

WLDC has delivered a proactive, multi-faceted, successful approach to income generation including commercialisation. The commercial plan 2015/16 – 2019/20 has overachieved its original annual £1m income target. In 2019/20 the forecast net contribution from the plan is £2.026m, as follows:

- £718k Investment in commercial property
- £193k trade waste income

- £854k green waste
- £78k pre-application planning advice
- £12k Surestaff Lincs Ltd (recruitment agency)
- £37k commercial loan income
- £134k leisure contract.

Key to this success has been the council's strategic thinking from the outset to inform the plan's diverse programme, which has been effectively and regularly scrutinised. Amongst other activities, the commercial plan has included reviewing all council services for trading and income potential, developing an 'Invest to Earn' fund to stimulate business development, and a varied investment portfolio based on robust business cases. Thorough assessment of each potential activity, and a wide investment and project portfolio has spread any potential risks. Funding the programme through the council's existing finances has also reduced risks associated with borrowing significant amounts.

Approximately £23m of commercial property purchases are currently funded by internal borrowing. Plans to sell these after a period of 10 years supports the policy of not charging Minimum Revenue Provision (MRP) on this borrowing. This however exposes the council to the following risks:

- If the council sells its commercial property assets, how will it replace the loss of more than £700k of annual recurring income?
- If it does not intend to sell, the recent tightening of MRP guidance specifically requires MRP to be charged (MHCLG Statutory Guidance on Minimum Revenue Provision paragraph 45 states, "The duty to make MRP extends to investment properties where their acquisition has been partially or fully funded by an increase in borrowing or credit arrangements."). The application date for this guidance is 1 April 2019, which would place an unplanned for pressure on the financial outturn for 2019/20.

The commercial plan runs until the end of this financial year. Many of the plan's projects have reached or are soon to reach their maximum annual income potential or natural end. The council therefore needs to consider whether ongoing commercial activities should be brought into business as usual and whether there are further opportunities available that would require it to develop and agree a new commercial plan.

WLDC is already considering a change management programme to deliver new efficiency and savings programmes, eg through forthcoming IT changes outlined above and their subsequent benefits. However, having exhausted more traditional ways of investing and raising income, the council needs to clarify what a potential 'social regeneration' growth model could look like and achieve, and consider other possibilities to make the most of its current financial and project successes, momentum and thinking.

Additionally, uncertainties about future local government funding, Brexit and its economic impacts have led to an understandable pause in commercial and financial planning. The council must use this time however as a 'purposeful pause' to proactively

reflect and plan its next steps, purpose and vision, rather than passively wait for clarity. The latter will see time pass by and momentum lost unnecessarily.

#### **4.5 Capacity to deliver**

The peer team met many committed, talented and aspirational staff who 'go beyond' what is good enough to do their very best. This isn't just for their own job satisfaction but because they are loyal to the council and have a strong customer ethos. They not only want to address customers' immediate needs but make the most of their interactions to empower them further and in turn reduce service demand.

Frequently used adjectives that staff used to describe the council were welcoming and friendly, progressive and forward thinking, supportive and flexible. Staff also spoke about how they are supported by their managers and encouraged to take up training and development. They also mentioned that the council is good at listening and that certain teams work particularly well together, getting away from siloed services and moving towards cross-organisational arrangements, for example on finance management.

Staff raised some common inconsistencies across the council that could be improved, for example:

- how managers manage their staff, eg via induction, appraisal, training and career progression to help retain staff
- managing team performance, eg measuring, sharing and managing success to be able to celebrate it internally and promote it externally
- communications, eg who new starters are and how staff located on different floors could better interact with one another.

The biggest concern for the peer team however through its background reading and onsite meetings is that staff capacity is becoming over-stretched. In part, this is due to various issues mentioned previously, eg too many programmes to deliver and decide on, and ineffective IT systems. There is also a high proportion of temporary staffing arrangements across the council, including interim appointments and internal acting up arrangements, which are further adding to pressure within teams because of lack of stability and, in places, net reduced resource. Additionally, the workforce is ageing, and younger staff often leave, resulting in vacancies to fill. There are also recognised 'single points of failure' – where there will be no or limited cover if certain staff are absent.

The council has a workforce development plan but this tends to focus on values and project-focused skills development. Whilst these are vitally important areas, the council would benefit from taking a more strategic and coordinated approach to workforce planning, including succession planning, focused on building longer term organisational capacity through coordinated analysis of workforce trends, future demands, and targeted talent development (eg developing aspiring leaders) across the council. Developing this approach as soon as possible will avoid reaching a crisis point and will help increase staff morale and wellbeing. The council is already involved in some

shared services such as legal and audit to address such specific capacity issues. It is therefore worth considering if further such arrangements could help capacity in other areas.

WLDC's Customer First Programme is an ambitious plan to improve customer service from all angles. By talking to staff, the peer team identified that the programme's objectives are clear in terms of what it wants to achieve. The current vision however of how to achieve them is too big; it contains too many elements, making it unfocused and unmanageable to deliver. The programme outlines its ethos, eight enablers, the why, what, who, how and when, six building blocks and what the council will do regarding each. It does not however outline which team will do what. It is also not clear what savings can be delivered and how. It appears to be trying to be 'all things to all people' and has unintentionally morphed into a pan-organisational transformation programme. There are too many inter-dependencies, including those with developing internal programmes such as a possible CRM IT system and the senior management structure, some of which are facing delays. As a result of all this, it has become unfocused, confusing for staff, and undeliverable. "It's just words," as one person described it. Staff also mentioned that since the programme was presented to them a couple of years ago, they have not been sufficiently well sighted on how it is being developed, reinforcing the need to improve communications.

The programme does however have sound objectives to benefit customers and has already had successes, eg in service redesign to help improvement, and telephony. There is therefore potential for further success. The council should consider reducing the programme to its core, ie review and clarify the absolute key objectives and develop a new programme around that core. WLDC's staff have a strong customer ethos, whether there is a specific customer programme or not. So senior managers should engage them in the new programme's development, to reflect on what customers really need and therefore what the council needs to do. Rebranding the programme will also offer a clean break from the current one and offer a new start.

## **5. Next steps**

### **Immediate next steps**

We appreciate the senior managerial and political leadership will want to reflect on the findings within this report in order to determine how the organisation wishes to take things forward.

To support you in your improvement journey the peer team have identified a number of key recommendations, some of which you may already have in hand. We welcome your response to these recommendations within the next three months through the development of an action plan.

Your Principal Adviser Mark Edgell ([mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk)) will be in contact to assist the council going forward and to provide additional support, advice and guidance on any areas for development and improvement and he will be happy to discuss this.



In the meantime, we are keen to continue the relationship we have formed with the council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### **Follow up visit**

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the council. Our expectation is that it will occur within the next 2 years.

### **Next Corporate Peer Challenge**

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the council will commission its next Peer Challenge by January 2025.

### **Examples of good practice**

The peer team was particularly impressed by the council's:

#### **Corporate performance management team**

The council has a strong corporate performance management team that is committed to supporting and enabling service teams to proactively manage their performance. The council doesn't currently have a corporate performance management IT system, so the team is developing service level dashboards to assist teams with their performance reporting and provide a consistent approach across the council. The team is also training and otherwise supporting team managers to enable them to manage their performance more proactively. Whilst there are some inconsistencies across services, finance, waste collection and recycling teams are recognised as leading the way on this and are using the cycle of identifying performance issues and how they can be improved, planning those improvements and monitoring differences made to manage performance.

The team also co-ordinates quarterly service level performance management reporting on an exception basis to the senior management team. The latter advises and can commission support to help address service performance, ensuring that performance is managed corporately, as well as at service level.

#### **Corporate project management team**

This team works with others across the council to ensure every project undertaken, regardless of size, is managed and delivered effectively. This includes ensuring risks

are identified and mitigated, links to other related projects are made to maximise resources, results and impacts, and projects are delivered on time, to budget or amended as needed.