

# Corporate Peer Challenge: Follow Up Visit

## **Winchester City Council**

24/25 September 2018

Feedback Report

## 1. Introduction and purpose

Winchester City Council received an LGA Corporate Peer Challenge in February 2017. Feedback from the Peer Challenge concluded that the council's strategic location provided opportunities to grow the local economy and take advantage of the City's unique heritage. Many of the pre-requisites of success were in place but at the same time the council was not without its challenges. Past experiences with a couple of major projects had dented confidence and caused reputational damage locally, and aspects of the way the council organised itself were not helping. That said the arrival of the new senior leadership team and the council's relatively healthy financial position, combined with notable achievements in some key areas, provided a strong platform to move forward.

The purpose of the follow up visit on 24/25 September 2018 was to help the council take stock of progress made against the recommendations identified in February 2017.

This report provides a written summary of the key observations made by the peer team during their visit.

### Peer review and challenge

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 focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by the people they met, things they saw and material that they read.

The process is not designed to provide a technical assessment or due diligence on specific proposals. Neither is it intended to provide prescriptive recommendations. The peer challenge process provides feedback, observations and insights from experienced practitioners that will help validate, reality check and further develop the council's current plans, proposals and evolving thinking about the future.

### Scope and focus

The peer team was asked to consider the progress made since February 2017 and provide an external perspective on progress to date and opportunities for further action. In doing so peers considered the areas identified by the original peer challenge and the key recommendations made at that time. These are set out at Annex A, **attached**.

### Peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with the council. The peers who undertook the follow-up visit to Winchester City Council were:

- William Benson, Chief Executive, Tunbridge Wells BC
- Cllr Neil Clarke, Rushcliffe BC

- Cllr Chris White, St Albans City and District Council and Hertfordshire CC
- Tracy Manning, Director of Resources, Fylde BC
- Nick Easton, LGA Peer Challenge Manager.

All of the team had been involved in the original peer challenge in February 2017. Allison Westray-Chapman, Joint Assistant Director of Economic Growth, Bolsover and North East Derbyshire District Councils who had also participated in the original peer challenge was unable to be present for the follow up.

The team spent two days onsite at Winchester over 24/25 September during which they spoke to nearly 50 people including members, senior managers and stakeholders.

Peers prepared for their visit by reviewing a range of documents and information in order to ensure they were familiar with the council, the challenges it is facing and recent progress and developments.

## 2. Key findings and observations

**Overall observations:** Throughout our time at Winchester we gained an overwhelming sense that the council has made significant progress since the Peer Challenge in February 2017.

The leadership provided by the Leader and Chief Executive have given rise to a clearer sense of direction amongst staff. The new structures have been welcomed and freed up the Chief Executive to take a more strategic approach. Some of the ideas we heard about 18 months ago have now become reality.

New staff told us that the council was friendly, welcoming and populated by good staff; longer-serving staff told us they felt it was 'blossoming'. Businesses, partners and residents have also recognized the renewed sense of direction and purpose and the willingness to engage and they want the council to succeed.

However the tight political balance combined with the annual cycle of elections provides a challenging environment. A change in terms and conditions with the sense of impending restructure is causing uncertainty for some staff who are otherwise generally still committed.

The council has a clear sense of direction and progress is being made. The mix of ambitious projects and good service delivery will allow Winchester to continue to be a great place in which to live, work and visit.

***Clearly articulate a vision and strategic narrative for the district and for the council. This will give confidence to partners, residents and staff and can be used to prioritise activity.***

The refreshed Council Strategy endorsed in February 2018 sets out the council's vision to 2020 along with the key outcomes and core principles that underpin the council's work. It contributes to the greater sense of direction we were told about.

The strategy does not provide a compelling vision for Winchester as a place but this is something the council intends to address. The vision should provide a narrative for the whole district, balancing the key projects within the city with the needs of and aspirations for the wider district and build on the updated economic strategy and local plan review.

Whilst there is more to be done to develop relationships with the full range of local partners the external perception of the council has improved as a result of increased engagement by the council's leadership. We are confident that the creation of the new position of Strategic Director: Place will provide impetus to this work.

***Develop an evidence-based approach to the council's understanding of the views and needs of the whole community. This will help balance strong local opinion and reinforce the decision-making process.***

The council has embarked on a broader process of engagement with local partners, business and residents and become more open in its approach.

We heard of some good examples of engagement: Parish Council Conferences; Exhibitions around the major projects; drop-in events; and use of the on-line consultation hub with its "we asked, you said, we did" feedback loop. All this, we were told, has helped "change the vibe" locally and enabled members to get a fuller picture of the views of the community.

There has been an increase in the volume of communications around the major projects and the Advisory Panels appear to be working well. This more transparent approach has helped overcome scepticism about the council's ability to deliver and appears to be engendering greater trust with participants increasingly willing to compromise.

Whilst the proposed Residents' Survey has not yet been undertaken preparation is underway to have one by the end of the year and the council is keen to consider how it can exploit digital opportunities to develop new forms of engagement with local residents and also reach a wider range of residents.

***Review political and partnership structures and forums to ensure that they can perform their roles effectively.***

The regular informal meetings between the Cabinet and Executive Leadership Board are seen positively, providing welcome space for more informal discussions across a range of strategic issues but, a year on, it might be useful to review their operation and explore how to get the most out of the arrangement.

Overview and scrutiny also appears to be working better with a work programme, well-presented information and pre-scrutiny (which is less confrontational and more constructive), all adding value. There is a view it could focus more on external issues if there were the ambition and resources to do so.

Briefings continue to be offered to members on key topics of interest eg on housing numbers, planning, the LEP review etc. These are valued by councillors and provide a

useful source of information helping to ensure members are aware of and understand the wider context within which the council operates.

Modern.gov has been implemented which has helped improve the transparency and efficiency of meetings.

Relationships with parish councils have improved but, with priority projects focused on the city centre, it may be helpful to balance the narrative with a description of what the council is doing for the district as a whole.

***Develop a shared understanding of the financial challenges ahead.*** *The council is currently in a healthy financial position but action is required to ensure the financial challenges and risks are well understood across the organisation and that the council has a diverse approach to balancing its budget in the medium-term and is not solely reliant on a small number of major projects.*

Good progress has been made on the council's approach to budgeting and financial reporting which are now much better and more transparent. An outcomes based budgeting approach has been introduced along with quarterly financial and performance reporting.

However, like most other councils, Winchester is facing a significant financial challenge from decreased revenue and increased demand for services over the coming years. The latest Medium Term Financial Strategy (MTFS) highlights a likely revenue financing gap of circa £4m by 2022 and this is compounded by the continuing uncertainties around the implications of the Fair Funding review, Business rates re-set, and negative Revenue Support Grant.

The scale of the council's projects is very ambitious relative to a council of its size. Work undertaken to date, including underspends and use of the strategic asset purchase regime, has stabilised the council's short-term financial position but tough decisions may still be required if worst-case scenarios are realised.

***Review the way in which the business is managed*** – *to ensure that core policies and processes are understood and consistently applied.*

Improvements have been made in the way the business is managed. There appears to be a more systematic process for the preparation and clearance of member reports that enables potential issues to be flushed out at an earlier stage, and on occasion, the decision making process itself can work quickly (an example of the purchase of land in the town centre was cited) though this is not the norm.

Other improvements include the introduction of quarterly performance reporting and the more constructive contribution made by the Overview & Scrutiny committee. Risk management has also improved. The new template prompting consideration of both risks and opportunities has helped though, with the scale of projects being undertaken, WCC needs to be mindful of the danger it becomes merely an administrative process.

The consequences of the tight political balance was evident in many of our conversations and this can have a particular impact on business management. There was a feeling

members were beginning to get too involved in operational detail, with a seemingly constant request for detailed information. This was placing pressure on managerial capacity and diverting attention and resources away from priority projects and service delivery. On a more personal level we heard that it was also starting to erode professional confidence and creating a fear of “doing the wrong thing”.

***Be clear about how WCC is approaching transformation, entrepreneurialism and digital – ensure ambitions are understood by members and staff and supported with appropriate skills and technology.***

The council’s ambition to be entrepreneurial is widely recognised and an ‘Entrepreneurial Winchester’ strategy has been produced explaining why the council has adopted this approach and what it entails. Whilst this is a helpful start much still needs to be done, as the strategy itself recognises, if this entrepreneurial approach is to be embedded across the council. The appointment of Improvement and Efficiency Social Enterprise (iESE) as transformation partner is a significant step.

The council also has an ambition, set out in its Digital Strategy, to provide access to all its services on line by the end of 2019. Implementation can be a time consuming and resource intensive process and achieving this objective will require significant focus and resource.

***Clarify roles, responsibilities and accountabilities. Staff structures seem confusing and, whilst they support effective service delivery, they inhibit collaborative and ‘horizontal’ working.***

New structures have freed up the Chief Executive to be more strategic and there appears to be a real “esprit du corps” within the senior leadership team with staff, new and existing, being clear about what is expected of them and their respective strengths and weaknesses.

The council itself recognises that it needs to complete the review of the Constitution. The review should be used as an opportunity to continue to streamline decision-making and to clarify delegations.

A refreshed member/officer protocol may help clarify what is expected of members and officers and how they work together (including boundaries) but it would need to be consistently adhered to, to be effective.

***Strengthen programme and project management. The council’s Programme and Project Management Office needs to be suitably placed within the organisation and empowered to deliver and hold others to account.***

The governance around project management has improved and the project advisory panels appear to be working well. The top team arrangements have been reset to focus on project delivery and there is a real sense of unity at SLT level arising from team building work.

But in the absence of a clear “gateway” process by which projects are initiated and consideration is given to their resourcing, there is a danger that the council will become overloaded with initiatives and could potentially lose focus. The council is aware of this and seeking to address it.

The council’s Programme and Project Management Office needs to be suitably placed within the organisation and empowered to deliver and hold others to account.

***Use the new People Strategy/Workforce Plan to address concerns that the council has the capacity but lacks the skills to deliver, alongside new approaches to pay and reward, to ensure the council can attract the right people and to blend internal and external expertise.***

Below SLT level there is uncertainty and anxiety about a forthcoming restructure, its objectives, time scales and how it will impact on staff. This, and other recent changes, including the withdrawal of certain benefits, is contributing to a situation where some staff are beginning to feel under-valued.

The council is also showing strain in some areas because salaries are slipping behind neighbouring authorities and what is available in the private sector. As a result there is a danger that some areas could become ‘hollowed out’ as staff leave (we were told of particular pressures in housing and planning), institutional memory is lost and a greater burden is placed on remaining staff. However, the council is reviewing salary and annual leave as part of the ongoing review of terms and conditions.

That said, WCC was still described as being a good place to work and staff appreciate the leadership provided by the Chief Executive. Whilst good work has been undertaken on a flexible comprehensive pay and reward strategy there seems to be a lack of awareness of it and it may need to be communicated more fully.

### **3. Next steps**

We appreciate the council will want to reflect on these findings and suggestions with the senior managerial and political leadership in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The Local Government Association (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. Kate Herbert is the main contact between your authority and the LGA. Her contact details are: Tel. 07867 632404 and Email.

[Kate.Herbert@local.gov.uk](mailto:Kate.Herbert@local.gov.uk)

In the meantime we are keen to continue the relationship we have formed with the council throughout the peer challenge.

## Winchester City Council

### Corporate Peer Challenge (February 2017) – recommendations

The following are the Corporate Peer Challenge team's key recommendations to the council:

- **Clearly articulate a vision and strategic narrative** for the district and for the council. This will give confidence to partners, residents and staff and can be used to prioritise activity.
- **Develop an evidence-based approach to the council's understanding of the views and needs of the whole community.** This will help balance strong local opinion and reinforce the decision-making process.
- **Review political and partnership structures and forums** to ensure that they can perform their roles effectively.
- **Develop a shared understanding of the financial challenges ahead.** The council is currently in a healthy financial position but action is required to ensure the financial challenges and risks are well understood across the organisation and that the council has a diverse approach to balancing its budget in the medium-term and is not solely reliant on a small number of major projects.
- **Review the way in which the business is managed** – to ensure that core policies and processes are understood and consistently applied.
- **Be clear about how WCC is approaching transformation, entrepreneurialism and digital** – ensure ambitions are understood by members and staff and supported with appropriate skills and technology.
- **Clarify roles, responsibilities and accountabilities.** Staff structures seem confusing and, whilst they support effective service delivery, they inhibit collaborative and 'horizontal' working.
- **Strengthen programme and project management.** The council's Programme and Project Management Office needs to be suitably placed within the organisation and empowered to deliver and hold others to account.
- **Use the new People Strategy/Workforce Plan to address concerns that the council has the capacity but lacks the skills to deliver,** alongside new approaches to pay and reward, to ensure the council can attract the right people and to blend internal and external expertise.