

ITEM NO: 4

Report To:	OVERVIEW (AUDIT) PANEL
Date:	30 September 2014
Executive Member / Reporting Officers:	Cllr Jim Fitzpatrick – First Deputy (Performance and Finance) Steven Pleasant – Chief Executive.
Subject:	PEER CHALLENGE (JUNE 2014) FEEDBACK REPORT FROM THE LOCAL GOVERNMENT ASSOCIATION (LGA)
Report Summary:	Tameside Council asked the Local Government Association (LGA) to undertake a Peer Challenge review in June 2014. This report provides the Executive Board with an update on the feedback report from the Local Government Association (LGA) and the next steps in terms of communications.
Recommendations:	That the content of the report is noted.
Links to Community Strategy:	The scope, focus and follow-up projects of the Peer Challenge are linked to the vision and priorities of both the Corporate Plan and the Community Strategy.
Policy Implications:	Learning from the peer challenge is helping to inform the future development of the Council's priorities and objectives.
Financial Implications: (Authorised by the Borough Treasurer)	There are no direct implications as a result of this report.
Legal Implications: (Authorised by the Borough Solicitor)	It is important for effective governance that the Council has external scrutiny and review as provided by the LGA to ensure we are on track, particularly given the significant financial challenge we face. This is an appropriate forum to receive this report given this is the constitutional interface between the executive, scrutiny and audit.
Risk Management:	External challenge is a key element of the Council's approach to continuous improvement. Failure to review our practices and seek improvement would increase the risk of ineffective service delivery.
Access to Information:	The background papers relating to this report can be inspected by contacting Simon Brunet, Performance Officer, Corporate Performance and Improvement Unit, on:



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1.0 BACKGROUND

- 1.1 Following changes to the nationally imposed inspection and assessment regime, the Local Government Association (LGA) developed a new approach to sector led improvement. This approach to sector-led improvement is a core part of the LGA's offer to councils. One part of the LGA's support is to offer each council a free Peer Challenge.
- 1.2 Tameside asked the LGA to tailor our peer challenge on the following three areas of focus.
 - Growth & economic development.
 - Change management & service reform.
 - Developing a modern organisation.
- 1.3 Across these three areas of focus there was also consideration of;
 - Strategic direction & priorities.
 - Achievement of outcomes & objectives.
 - Leadership and capacity to deliver.
- 1.4 The Peer Challenge team were on-site from 23 to 26 June 2014. At the end of the on-site period they provided verbal feedback and a presentation to a joint meeting of the Executive Board, the Executive Team and the Senior Management Team. The feedback report has now been received from the LGA.

2.0 FEEDBACK REPORT

- 2.1 Attached at **Appendix 1** is the feedback report from the LGA.

3.0 NEXT STEPS – COMMUNICATIONS

- 3.1 On the Friday after the end of the on-site activity (27 June 2014) the initial headlines from the verbal feedback were communicated to all staff via the Chief Executive's brief. There was also a short article in the July edition of the WIRE.
- 3.2 All people who took part in the Peer Challenge, including partners, have received a thank you letter which included a short summary of the headlines from the verbal feedback.
- 3.3 Now the feedback report has been received from the LGA it is proposed to undertake a more comprehensive range of communications and messaging.
- 3.4 Below is a proposed programme of communications activity.
 - Website. Article on the Tameside Council website with report attached.
 - Executive Leader's blog.
 - Chief Executive's brief. Further mention in the Chief Executive's brief with link to website article and full report.
 - WIRE. A more detailed article in the September edition of the WIRE.
 - Press Release. A press release in late August.
 - Partners. Copy of the feedback report circulated to partners.

4.0 APPENDICES

- 4.1 The following appendix is attached.
 - **Appendix 1** – feedback report from the LGA.



Corporate Peer Challenge

Tameside Metropolitan Borough Council

June 2014

Report

Background and scope of the peer challenge

On behalf of the team, I would like to say how much we enjoyed spending time in Tameside to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received and the honesty and openness with which people engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

It is testimony to the council's desire for constructive external insight that Tameside commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Tony Reeves, Chief Executive, City of Bradford Metropolitan District Council (lead peer)
- Councillor Peter Box, Leader, City of Wakefield Metropolitan District Council
- Andrew Atkin, Assistant Chief Executive, Hartlepool Borough Council
- Neil Shaw, Programme Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual council's needs. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. The guiding questions for all corporate peer challenges are:

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

In addition, the council identified two significant issues for the team to explore:

- ❖ Economic growth
- ❖ Public service reform

Executive summary

Tameside Metropolitan Borough Council is an organisation with ambition and a track record of taking tough decisions early which are leading to successful achievements. It is setting out a new strategic direction called 'Growing Tameside'. This new direction is based on evolving the council's operating model to intervene earlier with local people to make a positive impact on their lives resulting in reducing demand for public services. It is also looking to deliver a strong economic future for the borough.

The council has a number of achievements on which it can continue to build. It has strong and stable political and managerial leadership. It has had a sound approach to financial management for a number of years which has stood it in good stead and enabled it to take early decisions to redesign services and manage the national public sector budget reductions. Frontline staff are proud, enthusiastic, energetic and a great asset to the council. The council also piloted Universal Credit nationally and has made very good progress on challenging areas of work like health and social care integration and the 'Stronger Families' agenda.

The council recognises economic development as a significant driver in improving the quality of lives for local people. The borough's economy has a number of strong underlying features upon which it can continue to build. This includes the wider infrastructure developments in eastern Manchester such as the new tram link to Ashton and a number of road developments. The council have also had success in brokering contracts, arrangements and funding to facilitate re-locations and the expansion of businesses. Significant developments in Ashton town centre are well underway, including the relocation of Tameside College and the redevelopment of other flagship sites in the town. Equipping young people with the right skills to enter the local job market is a key strand of creating the right conditions for a successful local economy. GCSE attainment has improved significantly in recent years and Tameside College will soon have an Advanced Engineering Centre.

On the local economy, the peer team asks the council to take into consideration some additional ideas as it shapes its economic vision for the borough. The key challenges are to influence the Greater Manchester Spatial Strategy to create a manufacturing/engineering hub. Plans to improve public realm investment would help to reinforce Ashton town centre's vitality. It will be important to test out the business case for increasing capacity to accelerate key sites and bring income in more quickly. To achieve this it will be important to ensure the council has sufficient capacity to influence the Spatial Strategy at a Greater Manchester level.

The work on prevention and early intervention is showing early signs of impact. The integration of health and social care services is a notable achievement. The integration has progressed at pace and is well advanced. There are a number of examples where a different approach has been taken to delivering services. In these areas local people have been more closely involved in the design of services, agencies are working in a more integrated way and more emphasis has been placed on early intervention or prevention initiatives. These are good models, which are working well, and which the council and other agencies can learn much from.

To make further progress on the service reform agenda, the council would benefit from replicating the pace of change in functions like Adults services and Street Cleansing across other functions. Bringing forward more early intervention plans for the 2015/16 and 2016/17 budgets would help accelerate the approach. This can be coupled with the creative use of commissioning of services to emphasis the prevention focus. As part of this wider reform the council may wish to consider delegating more decision-making to its four neighbourhood areas. This would be aimed at empowering local communities to help shape more preventative services.

The council is likely to need to implement 'Growing Tameside' at pace to manage the financial landscape of public funding over the next few years. As 'Growing Tameside' becomes more defined there will be a need to clearly articulate this strategy for the borough.

The council has all the ingredients in place to make further progress on economic development and change the nature of public services. However, these are very challenging agenda which will require sustained change at pace and continued tough decision-making.

Detailed findings in the focus areas

1. Leadership and governance

- 1.1 The council has a strong, well regarded and liked Leader and Chief Executive. The council has experienced a considerable period of political stability. Elected members show a considerable passion for Tameside and its towns and have a realistic recognition that the financial challenges facing the council have to result in changes to the organisation.
- 1.2 The council's key governance structures, including the Executive and arrangements like the Health & Wellbeing Board, are clear and appear to work well. The council has undergone considerable change and taken some tough decisions. The peer team heard consistently positive feedback from staff within the council and external partner agencies on how leaders in the organisation communicate the change and aim to get staff involved.
- 1.3 Developing the 'Growing Tameside' programme provides an opportunity to clearly articulate a new strategy for the borough and its towns. The development work on this already undertaken provides a clear framework to move forward with a strategic vision at a faster pace. It will be important to make clear links between 'Growing Tameside' and the council's other major strategic plans over the coming months to ensure a clear focus and the council has the capacity to deliver. The council would benefit from reflecting on the best way of managing this as an effective programme and make the best use of the expertise available within the council and across its partner agencies to ensure its implementation and further development in a coherent and joined up way. There are opportunities to make better use of the learning from successful initiatives such as health and social care integration and 'Stronger Families', which is important in learning the lessons for other parts of the organisation and other local authorities.
- 1.4 Local government needs to recognise the changing role of members in councils. Greater emphasis is being placed on local authorities to become an enabler and not just a direct service provider. The council needs to work on clarifying the future roles of members, and helping members to adjust. This is likely to include consideration of reshaping how member skills are developed emphasising the community leadership role, having oversight of more commissioned services and playing a stronger role at the neighbourhood level. This might include developing new member role descriptions and will reshape member development work to include some of this 'softer skills' development, not just development around statutory roles and functions.

2. Financial viability

- 2.1 The council has managed its financial challenges well so far. It has deliberately taken early action on anticipating significant funding reductions and maintained a firm grip over a number of years. There has been a strong approach to financial management and effective delivery of some difficult changes. The savings proposals identified in previous years are well aligned to the council's priorities and support their development.
- 2.2 The council has a clear Medium Term Financial Strategy. The council has largely achieved its previous financial savings programme, including a saving of £22m in 2013/14. Current implementation plans should deliver most of the £13m saving requirements for 2014/15. The process of developing the financial strategy up to 2017 is underway.
- 2.3 There has been some minor slippage in the delivery of savings proposals in 2014/15. The council is aware of this and has arrangements in place but will need to manage the risks around addressing such issues early. There are risks inherent in the savings proposals including some in volatile and high cost service areas (or those which have overspent in recent years), for example, Children's services. The council has a sound and prudent reserves strategy which is based on a clear risk assessment and provides flexibility for managing current and future financial pressures
- 2.4 The next set of budget challenges, particularly after the 2015 General Election, are likely to be different. The council have already shown an ability to reform some services, tackling difficult issues. In the future, the council have recognised the need to be more of an enabler than a direct provider of services. This will help it manage the reduced financial budgets of future years. As a result it will need to make even more rapid progress on its service reform agenda to address its long-term financial position.
- 2.5 The public building assets in the borough provide an excellent opportunity to bring organisations, services and systems closer together and generate capital receipts. The council and other agencies are taking some opportunities to do this already, for example, through the development of the new site for the council's offices. Overall they have already generated a £10m capital receipt and reduced annual running costs by £2m per annum, through completed building rationalisation. However, there is potential to do much more by mapping and planning to rationalise the overall public estate, not just council assets.

3. Organisational capacity

- 3.1 The council is becoming a much smaller organisation. Changes which have already taken place have reduced the workforce by nearly a half over the last couple of years. The staff survey indicates a high level of staff understanding of the need for change (86% of staff in 2013) and a good level of motivation despite the challenging times (78% of staff in 2013).
- 3.2 Frontline staff the peer team have met are proud, enthusiastic and energetic. They accept the rationale for the reduction in the workforce and the changing nature of the council's approach to delivering better outcomes for local people. A number of staff engagement structures have been put in place, including the 'We're Listening' sessions, to better communicate and listen to staff. Organisational capacity has been enhanced by the more extensive use of volunteers and schemes like Community Payback. This has had a significant impact in specific service areas, for example, gaining around 20,000 unpaid hours work in the last year in Neighbourhood Operations and Greenscape service.
- 3.3 The full organisational implications of a smaller, more enabling council, are understandably not totally clear yet. The council has plans to create a more agile workforce. The council will need to track the implications of the change and anticipate the changing capacity and capability needs of the organisation. In particular this is to ensure it retains key staff and/or skills within the organisation in a planned way.

4. Economic growth

- 4.1 The council is keen to take a pro-active lead in shaping the economic future of the borough. It works as an integral part of the wider Greater Manchester economic development infrastructure including; the Combined Authority, Local Enterprise Partnership and the Manchester Inward Investment Agency. The council has outlined a deliberately 'interventionist' approach to create an attractive business environment in Tameside which aims to foster the growth of new start-up businesses and attract employers to the borough.
- 4.2 Wider infrastructure developments in eastern Manchester, which include Tameside, have significantly benefitted the borough. This has included the new tram link to Ashton and a number of road developments. This has helped to create excellent transport connectivity into the region which will serve Tameside well and is a key ingredient of future economic success. The council have also had success in brokering contracts, arrangements and funding to facilitate re-locations and the expansion of businesses. The council is working hard to bring forward a significant plot of greenbelt land adjacent to the M60 for future employment opportunities.
- 4.3 The boroughs' town centres are also experiencing a number of positive developments which are likely to strengthen the Tameside economic 'offer'. Ashton has a significant role to play in the future economic growth of the borough. Most notably this includes plans for significant developments in Ashton town centre which

are well underway, including the relocation of Tameside College and the redevelopment of other flagship sites in the town like the Council Offices and the business incubation centre at St Petersfield. The other town centres have a key role to play in the borough's economic future and the economic relationship between Ashton and the other town centres is recognised.

- 4.4 Equipping young people with the right skills to enter the local job market is a key strand of creating the right conditions for a successful local economy. GCSE attainment has improved significantly in recent years and is now in line with the national average. Tameside College will soon have an Advanced Engineering Centre which fits very well with the borough's vision of growing the engineering and manufacturing sectors. This also supports the existing economy to achieve future growth in the borough.
- 4.5 The council is well regarded by its partners in the business sector and the peer team received good feedback from the businesses it had contact with during the peer challenge. The council was described as 'approachable, flexible and helpful'.
- 4.6 The council recognises having the right mix and volume of attractive affordable properties is another key element in supporting the local economy. It is making positive inroads into building significant numbers of affordable homes, looking to bring forward new residential development sites for a greater number of larger, more attractive homes and bringing a significant number of empty properties back into use.
- 4.7 Tameside has a number of specific economic challenges, associated with the proposed development of Airport City in neighbouring Stockport, the continued growth of Manchester city centre and the scale of low skilled employment currently in the borough. Tameside needs to ensure adequate technical capacity to properly influence the Greater Manchester Spatial Strategy to protect and grow Tameside's role as the engineering/manufacturing hub for Greater Manchester. As the Spatial Strategy picks up pace the council will need to ensure that Tameside sites are at the forefront of this thinking. In the shorter term this is likely to see the need to increase the capacity in areas like Economic Development. This can be achieved creatively without the need for a significant increase in funding for this within the council.
- 4.8 The peer team wish to offer a different strategic perspective on the future for Tameside. The council can play a strong part in the wider Greater Manchester economic development infrastructure and there is now an opportunity to clearly articulate a focused economic strategy which differentiates Tameside's 'offer'. This also reflects the prominence of the role of manufacturing in the borough and a number of neighbouring boroughs across the Pennines. The peer team proposes that the emphasis of the future strategy should be on how Tameside will work within the Greater Manchester framework but explain how it has a distinct focus, for example, in being an engineering/manufacturing hub for Manchester in collaboration with other Pennine authorities.
- 4.9 There are opportunities to link much more strongly with local and regional universities to create a stronger pathway from secondary education into higher

education and into work. Strengthening the link with universities (and other research bodies) and industry will build a better link which is likely to trigger greater numbers of start-up businesses.

- 4.10 Some further analysis on travel to work patterns within the borough will help to evidence the role that Ashton plays in influencing the economy of the whole borough. Ashton is a principal employment site and the economic heart of the borough which is sufficiently strong to influence the economy around it. Both roles are important and further evidence would help to clarify what that role may be at this stage. The council needs to consider and prioritise public realm investment to create high quality corridors linking St Petersfield and IKEA with the core of Ashton town centre. The council needs to fully understand its importance as Ashton's major employer to the vitality of the town centre. The positive regeneration role this can play should influence the council's final decision on the location of its proposed new offices.

5. Public service reform

- 5.1 The council are looking to explore fundamentally different ways of delivering better outcomes for local people by focusing on building resilience within communities, reducing the level of demand for services and better targeting support at the most vulnerable. The council is working as part of the Combined Authority's programme of public service reform. There are a number of areas in which the council has received recognition at the regional and national level. Its piloting of Universal Credit nationally is but one example of this.
- 5.2 The integration of health and social care services is a notable achievement. The integration has progressed at pace and is well advanced. The council is demonstrating strong leadership in its willingness to place Adult and Children's services together with Tameside Hospital services and other providers. This is an example of the council using its strength in Adult social care to secure better outcomes for local people across the whole health economy. This is another example of the council taking tough decisions.
- 5.3 There are a number of examples where a different approach has been taken to delivering services. One where local people have been more closely involved in the design of services, agencies are working in a more integrated way and more emphasis has been placed on early intervention or prevention. The Women's & Families Centre, work on 'Stronger Families', the integrated hospital discharge team, re-ablement services and Denton Hub are all good examples of this work. These actively involve local people, services are shaped around their needs closely, more intensive work is undertaken and an emphasis is placed on preventative work such as parenting advice, alcohol awareness, key educational skill development etc. These are good models. There are at different stages, some only recently integrating services, but they are working well, and are ones which the council and other agencies can learn much from.
- 5.4 There are plans in place to deliver more reformed services beginning in 2014/15, for example, with a number of initiatives in Children's Services such as the creation of

multi-disciplinary teams and key workers. Again, these are aimed at taking an early intervention approach, working across agencies. The council have also identified how they will track whether these interventions are having a positive impact.

- 5.5 There are considerable examples of how the council has sought to redesign services. The necessity of making financial reductions has created the opportunity to creatively look at how services can work more coherently together. The peer team saw good examples in services like Housing, Libraries, Neighbourhood Operations and Greenscape. This also includes some examples of co-located services like the Hattersley Hub and the new Stalybridge fire station. All of these have enabled service levels to be maintained (or improved) or services to be delivered in a more creative way.
- 5.6 There is some emerging evidence that a number of these initiatives are yielding positive benefits in beginning to reduce demand in some part of the system. For example, reductions in female re-offending and lower levels of delayed discharge from hospitals. There are good examples of commissioning the voluntary sector leading to high quality outcomes from providers who have a passion for the communities they are serving which is a good platform on which Tameside can continue to build.
- 5.7 To further progress public service reform the council and other agencies will need to continue to take bold steps at pace if they wish to achieve their ambitions for significantly improving outcomes for local people. The activities and initiatives to date are good examples on which further progress can be built. If this same pace can be replicated across other functions and key lessons learned from the work to date this will place the authority in a strong position to shape its future. Progress on this agenda is likely to be the single biggest systemic change the council is likely to experience in the foreseeable future. This is a challenge that a number of local authorities are similarly wrestling with and none have yet fully cracked.
- 5.8 A number of actions will need to be further progressed if the reform agenda is to gather greater pace. There needs to be greater design and piloting of early intervention initiatives across a wider number of services. Children's and Adults services provide the largest scope for making an impact on the system and generating a financial saving. Continue to build on the existing early intervention work and bring forward plans for further initiatives in both Children's and Adults in time for the 2015/16 budget process. Proposals across other themes/priorities/functions should be developed as a further phase of this work over the next two years.
- 5.9 Like every local authority, Tameside needs to move a greater proportion of its resources towards reducing demand. The approach to commissioning services can play a significant role in delivering this shift in emphasis to greater prevention. There is scope to use the creativity of providers to propose how interventions can be designed and delivered and this can be consistently embedded in specifications to shift the emphasis.

Finally, we would like to thank colleagues and members at Tameside, especially Sarah Dobson for their support in the lead up to the peer challenge and during the challenge itself. The council embraced the challenge positively and supported the process very well.

We have offered further discussions and a follow up visit for members and officers to both Bradford and Wakefield if that would be helpful. This would be aimed at building on the outcomes from the peer challenge and enabling the council to see approaches in both these cities especially on economic development.

Further on-going support is available through the Local Government Association's Principal Advisor, Gill Taylor (email: gill.taylor@local.gov.uk, tel: 0778 9512173).

Appendix

How the peer challenge aims to add value

The LGA is keen to understand how peer challenge can add real benefits for the council. We will evaluate the peer challenge, but we are also keen to track the benefits the council have derived from the work. The benefits will be explored sometime after the peer challenge. However, the peer team have identified the following likely significant benefits from this peer challenge:

- **Exploring ideas for the future economic development of the borough** – the peer challenge provided reassurance on the progress to date and achievements. It also proposed a different vision for the economic future of the borough, based around creating an engineering/manufacturing hub. It also gave some advice on improving the urban corridors in Ashton and how the council positions itself in the Combined Authority's approach to economic development.
- **Accelerating the pace of the public reform agenda** – the peer challenge acknowledged a wide range of achievements on placing more emphasis on early intervention/prevention. It also made specific proposals on accelerating the pace of reform to shift greater resources into reducing demand.