

LGA Corporate Peer Challenge – Progress Review

Cotswold District Council

19th and 20th November 2024

Feedback



Corporate Peer Challenge

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1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) in October 2022 and promptly published the full report with an action plan.

A Progress Review is an integral part of the corporate peer challenge process and is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the progress made by the council against the CPC recommendations and the council's related action plan
- Consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were on-site including any further support needs
- Discuss the early impact and learning from the progress made to date

The LGA would like to thank Cotswold District Council for their commitment to sector led improvement. The Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support. It took place at a very timely moment that was well chosen by the council.

2. Summary of the approach

The Progress Review at Cotswold District Council took place on 19th and 20th November 2024. It focused on the recommendations from the corporate peer challenge as follows:

- The council needs to reassure itself that its governance arrangements are robust
- Refine and adapt the leadership approach in engaging local authority partners in order to ensure shared objectives can be achieved
- Determine what Overview and Scrutiny is there to do and provide the appropriate support to it
- Establish a training and development programme for elected members and ensure good induction arrangements are in place for after the election
- Cabinet continue to be cognisant of the financial challenge that exists and demonstrate the required leadership and collective responsibility for addressing it

- Take stock of the Recovery Investment Strategy and what it can deliver
- Ensure all necessary due diligence is undertaken in relation to the budget proposals and that the proposals are realisable
- Address the concerns of staff about the way they are treated by some senior leaders within the council and the Publica organisation
- Undertake more direct dialogue between the senior leadership of the council and Publica in order to address the following issues:
 - The continued appropriateness of some functions remaining with Publica
 - Where direction is set from, clarity of roles and where accountability sits
 - How increased strategic capacity is provided to support the council
 - Translating the political objectives into manageable deliverables
 - Developing a focus on organisational culture and behaviours and staff well-being

The following peers were involved in the Progress Review:

- John Robinson, Chief Executive, Newark and Sherwood District Council
- Councillor Alan Connett, Devon County Council
- Sarah Pennelli, Strategic Director and Section 151 Officer, Blaby District Council
- Melanie Wellman, Director of Governance and Monitoring Officer, East Devon District Council
- Chris Bowron, Peer Challenge Manager, Local Government Association

3. Progress Review - Feedback

Governance

The council has clearly embraced the recommendations from the corporate peer challenge in October 2022 and driven forward significant change and improvement in

response to them, not least in relation to its approach to a number of aspects of governance.

Amongst all of the elected members that we met, there was recognition and a valuing of the councillor induction and the elected member training and development arrangements that have been put in place. People praised the comprehensive induction pack that was provided to them on the night of the election count in May 2023 and the induction programme that was delivered in the weeks that followed. These arrangements were supplemented with a 'buddying' system that linked newly elected members with experienced council officers.

A wide-ranging and on-going training and development programme has followed on from the induction activity and there is also a programme of monthly briefings open to all councillors on pertinent issues within the organisation and the district. The latter has been seen as a positive step that now enables Overview and Scrutiny to concentrate on its core business rather than as a means of briefing elected members on key issues, as had previously often been the case.

The challenge around elected member training and development now seems to have shifted to councillors embracing in greater numbers what is available to them. That said, there are really positive signs of a changing culture around this, including a growing number of elected members who are participating in training and development activity provided at the national level, through the likes of the Local Government Association and the Planning Advisory Service.

The corporate peer challenge in 2022 highlighted the Extraordinary Council meeting held in the October of that year to "authorise the Monitoring Officer to publish a final clean version of the Constitution" that incorporated the revisions agreed at various points over the previous few years. Since that meeting, a review of the Constitution has been undertaken and completed, shaped through the cross-party Constitution Working Group and culminating in the adoption of a 'definitive' version of the document.

The council has also re-positioned the Audit and Governance Committee. This has seen its remit being revised to include governance explicitly, in a switch from 'Audit Committee'. This change is more profound than a revision of the title and the committee has embraced the governance element of the role. The appointment of

two co-opted members has injected alternative perspectives and sent strong messages around the council's commitment to openness and transparency and embracing independent external challenge.

There have been tangible improvements in Democratic Services. This is a function that is widely held in high regard now by councillors, with officers there being seen to be easy to approach and responsive to elected members' needs. Arrangements for council meetings, including the dissemination of papers in a timely manner, flow much more smoothly than previously and trust and confidence on the part of councillors has therefore increased. There is recognition that capacity is about to be lost temporarily in this function, as a result of career progression – which in itself is a success story.

The corporate peer challenge highlighted mixed views about the effectiveness of Overview and Scrutiny. As touched on earlier, it was previously largely valued as a means of keeping councillors informed of key developments across the district and within the council. Overview and Scrutiny has been transformed since the corporate peer challenge, with a number of important contributory factors here. The approach of the Chair is seen to have been absolutely integral and an element within this is the remit given, through the Constitution, for the Opposition to hold that position. There is good officer support and effective work programming. Cabinet value the role of Overview and Scrutiny, reflected in it carefully considering recommendations that it puts forward, and there is a capitalising upon the role pre-decision scrutiny can play in the functioning of the council. All of this combines to see effort and focus now being centred upon the probing of important issues in the Cotswolds, such as the reduction by Great Western Railway in ticket office availability and public toilet provision in the district.

Financial Management and Planning

The council now has a clearer understanding of its financial position, aided by the changes that have taken place to transfer aspects of the finance function back to the council from Publica, with the direct insight that this has provided for the council.

The Medium-Term Financial Strategy published in February 2024 indicated a budget gap of just under £4.2m. An updated Medium-Term Financial Strategy has been drafted for the four-year period from 2025/26 to 2028/29 and this was presented to Cabinet in November. Some savings and income opportunities have been identified

to help address the medium-term funding gap, including proposals to increase car parking and garden waste charges. However, plans need to be put in place to close the substantial gap that remains.

Thinking around a 'transformation programme' is emerging, reflected in the role of the Finance Cabinet Member (who is also Deputy Leader) being retitled to that of 'Finance and Transformation'. Plans around such a programme need to be developed much further and then made concrete if it is to become a recognised and reliable source of savings and/or increased revenue streams.

The latest version of the Medium-Term Financial Strategy outlines that the return to the council from Publica of the majority of services is likely to have increased the unfunded budget gap in the last six months. People we spoke to within the organisation are very attuned to the cost being added to the council's budget through investment being made in a number of service areas as the organisational transition takes place – at a time when the council is needing to save money.

Overall, increased collective ownership of the financial challenge by Cabinet and the senior managerial leadership is required in order to supplement the leadership in this area being shown by the Deputy Leader, who is working closely with the Section 151 Officer.

Publica Transition

'Phase 1' of the transition of services back to the council has been delivered on a short timescale. This has seen around 70 people joining the council under TUPE (Transfer of Undertakings Protection of Employment rights). Whilst complex and demanding in its own right and featuring the largest proportion of staff likely to transfer relative to any further phases, 'Phase 1' is seen as having been more straightforward than any future phases to come. This is because it has involved services and functions that are core to a local council in its place leadership role and fulfilling its governance remit and has largely involved staff whose roles could be

seen essentially to be dedicated to Cotswold District Council and thus, for whom, a TUPE case could relatively easily be made.

Partner councils appreciate the drive that Cotswold's political and managerial leadership has provided around the transition, prompting the initial thinking and discussion and then really making it happen. They also value the 'heavy lifting' that the council has undertaken in relation to some of the detailed work, including providing the financial focus.

Inevitably, given the magnitude and significance of the undertaking, the transition has been a very significant focus for the council in the last couple of years and that continues to be the case.

There is widespread understanding on the part of council staff, Publica staff and elected members that there was always an intention to 'take stock' upon the conclusion of 'Phase 1'. It is now unclear to people what the intention is, with much dialogue and thinking around an immediate move to a further phase and for that to be delivered on relatively short (although not yet clearly defined) timescales of a few months.

We would encourage the council to take the time to consider where that 'taking stock' now sits. This is, in part, in a context of the imminent Government White Paper, which may signal a move to undertake wider change in local government. Also, it is clear from our discussions with staff and elected members that there is a desire to see the learning being drawn out around what has worked well and less well during 'Phase 1'. In saying this, we recognise the dilemma around prolonging uncertainty for employees through any such period of 'taking stock' relative to expediting things and concluding the period of change.

Currently, there are competing narratives and a lack of shared understanding around the transition. As an example, the concept of the council 'taking back control' has a high profile and features heavily in the communication and dialogue around the transition. Whilst the peer team understand the ambition that this communicates – placing services and functions more directly back under local democratic control – some staff have interpreted it negatively. Another narrative is that of the council undertaking the transition to secure savings, which contrasts with the additional investment that people are seeing being made in certain services currently.

The council's political and managerial leadership is dynamic, energetic and passionate for its place and its people. This is the type of narrative that is more compelling for staff and would benefit from being articulated.

In addition, further change must be founded upon an in-depth options appraisal that enables informed decision-making. The council has delivered and continues to deliver on a broad and exciting agenda but there is a risk that the Publica transition becomes all consuming. This is not a criticism, rather a reflection that a change programme of such strategic significance to the council could become too great a distraction from the many other positive interventions that the council is leading.

Organisational Culture

As mentioned above, the council has ambitious, driven and strong political and managerial leadership, reflected, as an example, in the way the Publica transition has moved forward and the council has responded to the recommendations from the corporate peer challenge.

The council's Corporate Plan provides clear direction through its Objectives and Principles. This focuses on the difference to be made in the district and its communities through effectively and appropriately positioning the council.

Objectives

- Delivering good services
- Responding to the climate emergency
- Delivering housing
- Supporting communities
- Supporting the economy

Principles

- Rebuilding trust and confidence in the council by promoting a culture of openness and transparency
- Providing value for money for our residents and businesses by using our resources wisely and investing in the district's fabric and future
- Listening to the needs of our community and acting on what we hear

The organisational change that is taking place currently requires a leadership style and approach that carries the council's current and potential future workforce through times of uncertainty. Ultimately, the Publica transition is about fulfilling the above objectives and principles through capitalising upon the potential and the opportunities that the organisational change provides.

People we met, both internally and externally and covering elected members as well as staff, were very direct and clear about the leadership style and organisational culture as they see and experience them. This mirrors the openness and honesty that staff provided during a series of externally facilitated workshops aimed at developing a set of values and behaviours as part of the work on a People Strategy for the council. It is of crucial importance for the 'growing' organisation that there is constructive dialogue around the leadership style and organisational culture that is right for Cotswold District Council.

There are a variety of reasons as to why such a dialogue and getting the response right are important but key within them is ensuring people feel valued, cared for and motivated and want to work for Cotswold District Council. The council now has 70 new employees who should be acting as advocates for the council as a place to work. Through the Publica transition, some people are having to make choices as to which organisation to join – and Cotswold District Council needs to be as attractive as possible in a competitive employment market. Organisational culture will always be a key factor for people. Key considerations for the council here are:

- On-going engagement with staff around developing the new organisational culture
- An embracing of different styles and approaches in the way people work and the value and benefits that such diversity offers – with a lot to be gained by ensuring that the sort of drive needed to get the Publica transition to the stage it has is complemented through an embracing and valuing of more reflective styles and approaches
- Developing 'wider top team' working to strengthen delivery of the council's objectives led by the Chief Executive – which would be relevant anyway but the need for which is increased by the anticipated appointment of a Director of Place and Communities. There are other dimensions to the development of 'top team' working too. This

includes at Cabinet level, given recent changes there and the opportunity on the back of that to develop greater insight to one another's styles and approaches. Another strand is joint working across the Cabinet and Corporate Management Team as collectives to supplement bilateral relationships between Cabinet Members and senior officers.

4. Final thoughts and next steps

The LGA would like to thank Cotswold District Council for undertaking the Progress Review.

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

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Paul Clarke, Principal Adviser for the South-West region, is the main contact between your authority and the Local Government Association. Paul is available to discuss any further support the council requires and can be reached via paul.clarke@local.gov.uk