COUNCIL

LGA CORPORATE PEER CHALLENGE: OLDHAM COUNCIL, OCTOBER 2013

Report of Deputy Chief Executive

Portfolio Holder: Councillor Jim McMahon, Leader and Cabinet Member for Regeneration and Strategic Projects

18 December 2013

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Purpose of Report

This report highlights the findings of the LGA Peer Support Challenge carried out in Oldham during October 2013. The Peer Challenge Team concluded that there has been: “A remarkable transformation in Oldham in recent years, both in the place and in having established an ambitious and effective council. The authority can be proud of what has been achieved”. The report states that the Council is now seen to be a disciplined organisation that is competent and effective – which in turn generates the confidence and credibility for it to do more challenging and difficult things. It also states there is increased confidence, belief and trust in the Council – which has been achieved through the building of competence and successful delivery.

This report summarises the key aspects of this transformation identified by the Peer Review Team. It also comments on the issues identified for consideration by the Council as we continue to move forward.

Recommendations

1. That the Council welcomes the findings of the 2013 LGA Corporate Peer Challenge Report of Oldham Council; and
2. That the Council endorses the response to the findings set out in this report.
3. That a report be presented to a future meeting of Cabinet outlining progress against the areas identified for consideration.
LGA Corporate Peer Challenge: Oldham Council 2013

1.0 Background

1.1 Oldham Council agreed to take part in a Corporate Peer Challenge as part of the Local Government Association’s (LGA) programme of sector-led improvement. The review took place in October 2013. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

Barry Quirk, Chief Executive, London Borough of Lewisham

Councillor Sharon Taylor, Leader, Stevenage Borough Council and elected member on Hertfordshire County Council (Labour)

Councillor Paul Tilsley, Birmingham City Council (Liberal Democrat)

John O’Brien, Chief Executive, London Councils

Andrew Lewis, Assistant Chief Executive, Newcastle City Council

Chris Bowron, Peer Challenge Manager, Local Government Association

1.2 During the Peer Challenge, the Team met with a wide range of stakeholders including Councillors, staff, partners (at borough and Greater Manchester level) as well as community and voluntary sector representatives.

1.3 Following the review, a Corporate Peer Challenge Report was prepared by the Challenge Team. The Council committed to publish this report ahead of the Corporate Peer Challenge taking place, and is set out in full in Appendix A.

1.4 All Corporate Peer Challenges explore a number of guiding questions covering areas such as political and managerial leadership; financial planning and governance and decision-making arrangements. In order to tailor the peer challenge to local circumstances, Oldham requested that the Peer Challenge Team consider the Cooperative ambition of the Council and explore a number of additional questions:

- The extent to which the approach is joined up and mainstreamed;
- What would happen if key individuals were to leave;
- Whether the council is making a difference to the place;
- If the council’s reputation built on solid foundations; and
- Whether the authority’s civic leadership approach shared with partners and residents?
2.0  **Corporate Peer Challenge: Key Messages**

2.1 The Peer Challenge Report is set out in full in Appendix A. It highlights that there has been: “A remarkable transformation in Oldham in recent years, both in the place and in having established an ambitious and effective council. The authority can be proud of what has been achieved”.

The improvements and achievements that have contributed to this transformation are summarized as:

- The council is now seen to be a disciplined organisation that is competent and effective – which in turn generates the confidence and credibility for it to do more challenging and difficult things. The organisational culture feels positive, financial management is strong and performance management is effective.

- There is a real maturity of vision for Oldham, set by the political leadership, including how it is positioned in the context of Greater Manchester.

- The concept of a ‘Co-operative’ approach has real resonance with people internally and externally. An underpinning infrastructure has been established in order to help translate the vision into tangible actions and generate drive and momentum.

- Significant capital investment, from both the public and private sectors, is being made and planned in Oldham and there is a clear and balanced economic strategy in place.

- Public satisfaction with the council has increased from 22 per cent to 65 per cent in the period since 2008. There is increased confidence, belief and trust in the council – which has been achieved through the building of competence and successful delivery. The authority sees an improving reputation being secured as a by-product of successful delivery.

- The Council is very highly valued and well-respected by its local partners, who are overwhelmingly positive about the authority and its trajectory of improvement and stakeholder engagement. They see a significant improvement not just in the Council but also in the borough.

- The Council is now seen to be ‘punching above its weight’ and is one of the most highly respected and influential in Greater Manchester. It is fully integrated and playing a leading role within the Greater Manchester Combined Authority. In addition The Council and key individuals within it are also very effectively engaged and influential at the national level.

- The council’s political and managerial leadership has been integral to what has been achieved. It is in step and complementary with a shared clarity of purpose. It puts people and the place above the Council. It is respected internally and externally and galvanises support from staff and partners.
The Leader's style and approach is both exceptional and unique in nature and the council has benefitted enormously from having a driven Chief Executive with an entrepreneurial outlook and who has provided strong corporate direction for organisational change and improvement. There is good managerial leadership at Executive Director and Assistant/Associate Executive Director level. This strength in depth stands the authority in good stead to maintain its strong performance during the period of transition to a new Chief Executive. Staff at all levels demonstrated passion, enthusiasm and commitment and are really bought in to the council’s agenda and both understand and support the vision that has been established.

- The emphasis placed on districts within a borough context was valued with benefits identified including an increased responsiveness on the part of council officers and more engagement by citizens. Ward councilors are seen as more involved and demonstrating increased leadership. They are increasingly being seen to facilitate communities and encourage greater self-reliance.

- As a result of the Council’s two-year budgeting approach the report acknowledges good progress has been made in finalising a balanced budget for 2014/15 to meet the projected gap of £23m.

2.2 Oldham Council’s decision to take part in the LGA Corporate Peer Challenge was part of its ongoing commitment to learning and improvement. The process has provided valuable insight into the work that the Council has been delivering over recent years, as well as providing feedback on proposals for further development.

2.3 The following section summarises the main issues highlighted in the Report for the Council to consider in moving forward. Also set out is the Council’s response to these issues.

3.0 Issues Identified for Consideration by Oldham Council

3.1 Contained within the Peer Challenge report are a number of areas that the Corporate Peer Challenge Team identified for consideration by the Council as it moves forward.

3.1.1 Maintain focus and continue to deliver

The Peer Challenge report acknowledges the importance for the Council in remaining focused and continuing to make progress by building on what has been achieved. The report highlights a number of areas where this is particularly important – the main ones being successful completion of key regeneration projects such as the Old Town Hall and continued focus on performance in the delivery of council services.

Response:
The Council is clear that it is essential to continue to deliver on priority commitments. In turn, such delivery is a key driver of satisfaction with, and confidence in, the Council by all stakeholders. It is equally important that focus continues on standards of service delivery. To support this the Council has a clear Corporate Plan setting out the key outcomes, programmes and projects to be delivered over the next three years. This is supported by a Medium Term Financial Strategy and Capital Programme, combined with a robust People Strategy to ensure the appropriate capacity and information is in place to support delivery. Specialist support has been brought in such as hotel, cinema and retail expertise, overseen by dedicated project management and financial support.

The Council’s performance framework was revised following the adoption of the Corporate Plan by Council in July 2013. Regular reporting takes place through Overview and Scrutiny and Cabinet. Improvements in the communication of the Council’s performance in the delivery of services are planned for early 2014. Resident surveys also take place on a regular basis to test satisfaction and contribute to understanding of views and concerns.

In addition, the Council has continued to deliver on the Regeneration Programme since the Peer Challenge took place in October, with a number of key decisions recently being taken by the Council’s Cabinet. These include a comprehensive new package of support for businesses in the ‘Yorkshire Street triangle area’, a redevelopment masterplan to regenerate the Mumps/Eastern Gateway of Oldham Town Centre, and approval of the business case for the flagship Hotel Future project.

The Council recognizes the importance of retaining public confidence and has been disciplined in ensuring that developments are communicated at the right time to manage expectations and to allow adequate due diligence and project management.

Delivery plans are in place for the regeneration schemes, supported by the Council’s Capital Programme. Communication of the overall Programme and its delivery will continue throughout 2014. Interim arrangements have been put in place including Sir Howard Bernstein providing advice and support on the authority’s regeneration and economic development activities and projects.

3.1.2 Council to drive a more comprehensive programme for employment and skills

The Peer Challenge Report highlights that there is a key role for the Council to drive a more comprehensive programme for employment and skills, with much clearer connections made between education, employment and enterprise.

The importance of partners’ engagement with the achievement of the education and employment ambitions for Oldham was also highlighted.

Response:
The Council has prioritised growth and productivity as essential to a positive future for the Borough. This has included the introduction of a number of key programmes such as Invest in Oldham and Get Oldham Working, as well as the introduction of the Enterprise Trust and Oldham Community Learning Partnership. Underpinning such programmes is the longer term ambition to restructure Oldham’s labour market. In order to achieve this, developments need to take place in education, employment and enterprise. This requires partnership working at a Borough level with the Council seeking to engage organisations in coordinating activity and in the delivery of programme activity including Oldham Business Leadership Group (OBLG), Enterprise Trust, Job Centre Plus and the National Apprenticeship Service who have seconded staff resource. It also requires alignment with existing delivery mechanisms such as work programme providers, colleges, housing associations and voluntary groups. It also involves partnership working across Greater Manchester in order that Oldham maximizes the potential benefits from the wider city-region.

There are a number of strands of activity in this area, and work is underway to consolidate them within a broad place-based framework for learning, enterprise and employment. This will be supported by a fit-for-purpose partnership delivery and governance infrastructure necessary to drive results.

3.1.3 Cooperative Ambition
The Peer Challenge Report highlighted that the concept of a Cooperative approach has real resonance with people within and outside the Council. The report also acknowledges that there was tremendous consistency in the way people articulated their understanding of the Cooperative agenda, the Co-operative Council and Borough and the types of changes that it entails, not least in terms of the behaviours and approaches of citizens and professionals, is complex and transformational in nature. It can only be achieved over a significant period of time. Developing a more widely shared understanding of the sorts of timescales involved would aid thinking, planning and the management of expectations.

Response:

One of the main ambitions in the Cooperative agenda is to change the relationship between the Council and the public. This is not an easy or quick change to achieve, requiring sustained, consistent activity and approaches across a broad range of issues and areas. In developing the Cooperative agenda we will continue to emphasis the long term nature of the ambition. Equally the learning from the ambitious work on public service reform, both in Oldham and in Greater Manchester, will continue to be applied within a Cooperative Framework as part of delivering a new model for public services.

3.1.4 Scale and nature of the on-going budget challenge

The Peer Challenge Report highlights the excellent work that has taken place to ensure the Council has sound financial management in place. The report also acknowledges the work that has taken place to deliver a two-year budget for 2013-2015. In relation to 2015 to 2017 the report emphasizes the
importance of understanding of the scale and implications of the budget challenge and having a clear, shared approach for delivering this within the cooperative framework.

Response:

The current focus is on completing the 2014/15 budget which has been agreed by Cabinet and will be considered by Full Council in March 2014. Alongside this work is now also underway in developing the framework for addressing the scale of budget reductions currently predicted for 2015-2017. This includes a communications and engagement programme. A core element of the work on the budget will be to ensure any future organisational infrastructure continues to operate effectively and efficiently in order to maintain the focus on delivery.

3.1.5 Future developments of the district-based approach and Local Leaders

The Peer Challenge report acknowledges the contribution district-based working has made to the overall transformation. It highlights that ward councillors are seen as more involved and demonstrating increased leadership. But it also urges caution in considering further developments given the financial challenge facing local authorities. The report also identifies possible future developments for the Local Leaders Programme.

Response:

The district approach is developing and is increasingly focused on partnership working. The place-based Public Service Reform pilot is supporting the development of a new model of place management that incorporates consideration of behaviours that drive demand for high cost reactive services with examination of the total public service costs resulting from this. In addition, the work on the District Asset Reviews has set a framework for engaging Councillors in discussions about future service delivery models in a place within a reducing cost envelope. This is part of the Local Leadership role.

We recognise that whilst structural changes have been made which have created a strong foundation there is a need to ensure Districts are engaging and reaching the public and have not just created local Cabinets which do not engage or provide community leadership.

The third Local Leaders Programme began with the first session on 29 October 2013. Following feedback from the 2012/13 Programme the opportunity to tailor elements of the Programme more to the circumstances of individuals has been incorporated. It is also recognised that training and development takes place outside the core components of the ‘Local Leaders’ programme and ways of incorporating this activity are being developed.
4.0 **Recommendation**

4.1 i) That the Council welcomes the findings of the 2013 LGA Corporate Peer Challenge Report of Oldham Council; and

ii) That the Council endorses the response to the findings set out in this report.

iii) That a report be presented to a future meeting of Cabinet outlining progress against the areas identified for consideration

5.0 **Consultation**

5.1 Consultation and engagement will continue with all relevant stakeholders as part of the Council’s programmes and projects that address the issues identified in the Corporate Peer Challenge Report.

6.0 **Financial Implications**

6.1 Any financial implications arising from this report will be financed from existing budgets or will be the subject of separate reports as necessary (Steve Mair)

7.0 **Legal Services Comments**

7.1 No legal implications at this stage (Paul Entwistle)

8.0 **Cooperative Agenda**

8.1 The Corporate Peer Challenge Report recognises the work to date by the Council to develop and deliver the Cooperative Agenda. A number of the recommendations within the report relate to strengthening and deepening the impact of this work. These will be progressed as part of the Council’s response to the Report.

9.0 **Human Resources Comments**

9.1 No implications at this stage.

10.0 **Risk Assessments**

10.1 None at this stage

11.0 **IT Implications**

11.1 No implications at this stage.

12.0 **Property Implications**
12.1 No implications at this stage.

13.0 **Procurement Implications**

13.1 No implications at this stage.

14.0 **Environmental and Health & Safety Implications**

14.1 No implications at this stage.

15.0 **Equality, community cohesion and crime implications**

15.1 No implications at this stage.

16.0 **Equality Impact Assessment Completed?**

16.1 No

17.0 **Key Decision**

17.1 No

18.0 **Forward Plan Reference**

18.1 Not applicable

19.0 **Background Papers**

19.1 None

20.0 **Appendices**

20.1 Corporate Peer Challenge: Oldham Council 2013