

Corporate Peer Challenge

Halton Borough Council

10th – 13th September 2019

Feedback Report

1. Executive Summary

Halton is a distinctive borough. It is part of both the Liverpool City Region and Cheshire sub-region and has a population of 128,432 residents. Most residents live in either Widnes or Runcorn - two towns which sit on opposite banks of the River Mersey. Whilst in population terms the Council is small (being the 4th smallest unitary in the country) its achievements have been and continue to be significant.

One example of this is the success the Council has had over a number of years in driving economic growth. Whilst doing this the Council has also laid a platform for future potential inclusive growth through investments such as the Mersey Gateway Bridge. In recent years the Council, working with its partners has also managed to bring about improvements in outcomes for local young people.

These are just a couple of examples which show how the Council has taken steps to “protect the most vulnerable” either in the short, medium or long term. This is the priority in Halton which is referenced most regularly by both members and officers of the Council.

The Council's achievements to date have happened in spite of a significantly challenging financial position. A funding reduction of 29.1% since 2010 has been managed (which equates to a reduction in spending of £64 million). At the time of the peer challenge, a further £26 million was expected to be required over the next three years although this was subject to adjustment as a result of the Chancellor's public spending announcement for 2020/21.

Given increasing service demand, the difficult financial context as well as the cumulative impact of the decisions taken to get to this point, the key challenge from the peer team is about ensuring that the Council's achievement and the progress made locally are sustainable.

To sustain existing levels of performance and to achieve future priorities, it is the view of the peer team that the Council must now adapt the way in which it operates.

This will mean changes both in how the Council operates internally (and the type of capacity required in future) but also reforming how the Council works with its partners and communities. These changes are inextricably linked and will require the development of a new ‘operating model’. This is referenced throughout this report and should take the form of a series of principles that will direct how the Council and its services operate in future. These principles should be used to shape, inform and test decision making and represent a step change in how the Council increasingly co-delivers alongside partners, community groups and the community.

The Council is held in high regard by its partners as a strong place leader for Halton. The move to a more sustainable approach to public service delivery in Halton will now require the Council to build on the good partner relationships that exist, by developing strategic partnership working. This will require a clear strategic vision which is equally owned by all partners and communities. Underpinning this, a set of specific priorities which will lead to the vision being realised will also be required. This may mean the Council and partners sharing responsibility, capacity, capability and resource on the right terms, when it's right for Halton.

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There is capacity, capability and opportunity locally and regionally that the Council can tap further into by adopting different roles. This will help ensure that achievements are sustained and priorities are achievable in the medium and long term.

Internally, the Council has less corporate capacity than similar councils elsewhere. Whilst a “can do” mentality has been a real asset to the Council in managing to get to this point, this can no longer be at the expense of the time and capacity required to think and plan strategically into the medium and long term. Whilst this includes how the priorities for the place of Halton are delivered, it also includes how the Council plans for and delivers within the future funding envelope.

In recent years the Council has begun to increasingly use one-off saving measures and has trimmed capacity where it has become available – absorbing as much as possible of the work that remained. The balance now needs to be moved back to developing more sustainable, longer term and strategically planned saving proposals. This will require modifications to the existing budget process and additional capacity to support transformation.

In doing this, the Council will benefit from its stable, visible and highly regarded political and senior officer leadership which is recognised both internally and regionally. In addition, positive member and officer relations over a significant period have been observed in Halton which have helped the Council focus on the tasks at hand and “protecting the most vulnerable”.

For many officers these relationships have built up over a number of years on the back of a sense of shared pride in what the Council has been able to achieve. For the next stage of the journey – as the Council looks to evolve its approach to a more sustainable model - the Council will need to bolster the existing, longstanding workforce with new, additional transformation capacity over a fixed period to help the Council to make this change.

As the Council goes on this transformation journey it will also need to consider in more detail the workforce profile of the organisation. This can help to pinpoint where key skill sets sit that could be used to more strategic effect, as well as the most crucial capacity gaps being faced now and in the future. An organisational development strategy can then be developed which is carefully aligned to the new vision and subsequent behaviours and values required of the Council when acting to a new operating model.

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) **Work with partners and the community to co-produce and co-deliver a long-term vision for Halton which is underpinned by an agreed set of specific priorities to achieve it.** This should be informed by qualitative and quantitative resident insight and led by a place based system.
- 2) **Engage with partners about the roles the Council and they can take in delivering these priorities and where responsibility, resource, capacity and/or capability can be shared to achieve the priorities for Halton sustainably.**
- 3) **Use this to identify and articulate a new corporate operating model for the Council.** This should state the specific behaviours and values required of officers and members in making the new operating model work.
- 4) **Review the amount of corporate capacity available at the Council.** Examples of this include transformation, policy, performance and data analytics, organisational development, finance, bid writing, project and programme management. Look at how and where these functions and activities can be strengthened or more closely aligned to support the sustainable delivery of your priorities.
- 5) **For at least a fixed period, add additional senior capacity which will support the Council to transform from its current operating model to the new, more sustainable model.** This additional, senior capacity should work alongside members, officers and partners and be supported by an alignment (virtually or otherwise) of the key functions required to bring about a successful and sustained transformation to the new operating model. This additional senior capacity should be aligned to the functions required to make the transformation required happen.
- 6) **Review the existing workforce profile in detail both as it is now and how it needs to be in light of the new operating model.** Use this to set out a strategic approach to organisational development which seamlessly connects officer development and the resources available for this with the development needs of the new organisation.
- 7) **Review the budget setting approach linked to an updated medium term financial strategy to enable more, longer term, strategic and sustainable savings proposals to be developed, staged and implemented.** This process must be closely linked to the vision and priorities for Halton and should inform the Council's new operating model.

- 8) **Following the forthcoming boundary review and subsequent local elections, review local governance arrangements** to ensure that the Council is getting the most benefit it can from the current model of governance in enabling and supporting all members to perform their roles.
- 9) **Review the model of local community engagement in place.** Included within this is the role that all members can play in drawing on the insight of local residents, building capacity and helping the community to both find and develop solutions.
- 10) **Bring together the due diligence, evidence and options appraisal information into a consistent, robust, singular business planning process for all investments or savings proposals.** This is crucial for the Council and will help ensure all decisions are consistently assured against key questions and criteria. This will help document a robust evidence base for future decisions which states the risks, issues, performance and policy implications of decisions made. It will clearly articulate any risk mitigation and monitoring arrangements.
- 11) **Review the Performance Management Framework to ensure the right type and amount of information is available to support effective decision making and accountability.** Asking where performance information goes, for what purpose it is produced, how it is currently used and how could it be provided differently will help to ensure a performance management framework is in place which is of most benefit to the Council.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member 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 agreed with you. The peers who delivered the peer challenge at Halton were:

- **Tony Oakman** (Chief Executive – Bolton Council).
- **Cllr Sir Stephen Houghton** (Leader – Barnsley Metropolitan Borough Council).
- **Miranda Carruthers-Watt** (City Solicitor and Monitoring Officer - Salford City Council).
- **James Winterbottom** (Director of Children’s Services – Wigan Council)
- **Lorraine Hallam** (Contractor and former HR Director – Leeds City Council)
- **Nigel Broadbent** (Head of Finance - Calderdale Council)
- **Shadow – Matt Dodd** (LGA Programme Manager)
- **LGA peer challenge manager: Dan Archer** (LGA Programme Manager).

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition, the Council asked for specific feedback on how the progress made to date in Halton could be sustained and how the Council was adapting its approach towards being more of an influencer and enabler locally, working in tandem with your partners and the local community. The Council also asked the team to look at their approach to organisational development and how the workforce is being supported and shaped to meet the future priorities.

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. Halton Borough Council had a Corporate Peer Challenge in 2013. 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 4 days onsite at Halton, during which they:

- Spoke to **more than 130 people** including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from **more than 40 meetings**, visits to key sites in the area and additional research and reading.
- Collectively spent **over 300 hours to determine their findings** – the equivalent of one person spending more than 8 weeks in Halton.

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 (13th September 2019). In presenting feedback to you, they have done so as fellow local government officers and members, 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

Halton is a unitary authority located in the North West of England which straddles the upper estuary of the River Mersey. The estuary separates the principal towns of Runcorn and Widnes, both of which have distinctive identities. Widnes was part of Lancashire and Runcorn part of Cheshire up until local government re-organisation brought them both within the Cheshire County Council boundary in 1974. This was followed by moving into a new unitary council in 1998 when Halton Borough Council was formed. This history however means the two towns have individual histories which presents both opportunities and challenges to the Council in how it 'leads the place' and how it has been able to administer public services locally. Both members and officers in Halton understand this distinctive historical identity well.

The Council has used a well-developed understanding of place to prioritise economic growth and regeneration of Halton which has happened at pace over a number of years. The most visible example of this being the Mersey Gateway Bridge which has laid an infrastructural platform for further future economic growth, by "bringing Halton together".

The potential this change to the physical connectivity of Halton should not however be limited to economic growth and there is an opportunity to look at the wider potential this may have for the future delivery of public services locally.

Enhancing the role and use of citizen insight to understand if and how resident's perceptions of place are changing and what this may mean for how they wish to access public services in future can have an important role in transforming future delivery models. To meaningfully inform genuine transformation, this type of engagement is not possible solely through individual service – customer interactions and would require a wider citizen/resident perspective.

As the democratically elected leaders of place, all members have a crucial central role in community engagement. There is potential to further support and refresh the community roles that members have in gathering insight and building community capacity, more detail on which is given within the 'Leadership of Place' section. The benefits of wider, more comprehensive resident intelligence should be used to inform the Council's transformation journey but is of equal value to other partners in Halton including the voluntary, community and faith sector (VCFS).

It is now the time for the Council to refocus its work with partners, the VCFS sector and the local community to genuinely co-produce a new long-term vision for Halton using this insight which may go up to 2030 or beyond. Given the changing nature of public service and the pressures placed on it both by a reduction in public spending and an increase in demand – this vision must now more than ever be collectively owned.

To make it happen, a clear set of strategic priorities should be mutually agreed between the partners, with specific accountabilities put in place for each partner for the delivery of these

priorities. This will likely involve the Council taking different roles in the delivery of the vision, doing less by itself and sharing responsibility with others when it is in the best interests of delivering sustainably for Halton. More on this is shown under the 'Leadership of Place' section below.

The Council taking new roles alongside others will mean defining a new operating model for the Council as well as a set of behaviours and values that will need to be met in order for the Council to fulfil this new role. These need to be consistently lived and used to shape all other strategies, business, service, financial and organisational development plans (to name a few).

4.2 Leadership of Place

The Council recognises the importance to the borough of being an active member of the Liverpool City Region. The Council has been successful in informing the priorities of the Combined Authority (CA) of which it is a member and securing subsequent funding for highways and transportation, regeneration and learning and skills to Halton via the devolution deal for the city region. The Leader is one of the longest standing members of the CA Board, and there is also member representation on the CAs Transport Committee and its scrutiny committees. In addition, the Council's long-standing commitment to the Cheshire Sub-Regional Leaders Group is evident. The borough forms part of the Cheshire Constabulary and the Cheshire Fire Service and elected members serve on both the Cheshire Fire Authority and the Cheshire Police and Crime Panel.

This demonstrates a quite unique sub-regional context within which the Council operates. With this comes the opportunity of engaging and influencing across a wider geographic footprint although this also places additional demands on the capacity of senior members and officers.

The Council is highly regarded by partners in Halton and has developed positive working relations. Partners locally consider the Council to be a caring organisation which has built a reputation for 'getting things done'.

The Council, as with many others across the local government sector faces growing demand for services and increasingly challenging saving requirements. It has also seen a significant reduction in officer capacity over recent years. What was clear to the peer team is that the Council now needs to develop a new approach in order to continue to 'get things done'. This new approach should be informed by engagement with local residents and partners, to then co-producing a new long-term vision for Halton, underpinned by a clear set of agreed and equally owned strategic priorities.

If the vision and priorities are co-produced successfully, the commitment to delivering the vision will be evident in how the Council, partners and the community work together differently based on shared impact and sustainability. New ways of working will involve the Council, partners, the voluntary, community and faith sector, local businesses and local residents both giving and taking on different responsibilities and roles.

Making this happen will require the Council and partners taking a step back and dedicating time to strategically plan how they work together differently for a more sustainable impact. This will include what partners can do for each other – and be held to account for, but also what they can do differently together, supporting each other in new ways to ensure better outcomes for the people of Halton. It will also include how the Council and partners are able to increasingly utilise local assets including the insight, capacity and capability of the strong, locally proud communities in Halton.

Effective engagement with the local Clinical Commissioning Group (CCG) is particularly important given the socio-demographic and population health challenges faced in Halton and the inseparable impact they often have on social care needs. The Council should continue to work closely with Halton CCG to achieve greater integration between the two organisations. This will mean reflecting on the role that the Council takes in partnership with the CCG to help ensure the best possible outcomes for Halton.

An example of this is in how the Council comes together with others for strategic commissioning. More is included on this under ‘Capacity to Deliver’. The Council and CCG have and continue to benefit from shared working arrangements with a number of Council and CCG staff co-located at the Runcorn Town Hall site, where the peer team were able to observe this joint working in action. The Council also now includes the Halton CCG Director of Commissioning on the senior management team which has been another way in which positive working relationships have been built that the Council can further build on.

There is genuine appetite and potential in the voluntary, community and faith sector in Halton. In defining the new operating model for the Council, it is important to consider the role that the voluntary, community and faith sector can also have in the sustainable delivery of the next set of priorities for Halton. This will mean identifying the ways in which the relationship could be reformed to release this potential. Doing so would include looking at how the Council works with the sector as well as how it engages and commissions the sector. Looking at how the Council can best support the re-established voluntary sector assembly is one part of this. Having a named senior lead at the Council would be an important first step in reviewing this relationship and embedding any reform consistently with the voluntary, community and faith sector.

Private sector partners in Halton hold the Council in the highest regard, as quoted by some “the best Council we deal with” and believe that “...working with Halton is like working with another business”. By this it is meant that the Council is agile and pragmatic when dealing with local businesses and supporting them. As the Council moves into a new operating model, it could now significantly benefit from the assets and opportunities that have been developed in the private sector as well as the relationships formed. One such opportunity may be in further considering the potential that the Sci-Tech Daresbury Park could bring for achieving your place-based priorities for Halton as well as furthering your digital ambitions, given that the Sci-Tech Daresbury Park is a world leading research and business campus in science, engineering and health.

To help the Council implement a new operating model alongside others, a “story of place” should be developed under the new vision. This should build on the stories residents and

partners tell through engagement of where Halton has been, how it has now changed, what is important now and where Halton is heading in the future. Within this the changing role of the Council working with partners and community can then be articulated. A dedicated communications approach should inform how this story is told to different audiences in helping it to be recognised and genuinely owned. This will also help the Council to put future spending decisions into a strategic Halton context, to embed the new operating model and can also be used when engaging with residents as well as partners.

Members of the Council are proud of their democratically elected community leadership roles and the connection they have with their local communities. Following the forthcoming boundary review, the Council have committed to a governance review. Whether it is part of this review, or before then, the Council may also wish to review how members are supported in their roles within the Council and within the community. An example may include how members are supported to promote and develop real engagement at a ward level with all local communities. As community leaders, ward members are well placed to fully understand the plans and priorities in their communities and to ensure that local insight is gathered and understood. One example of this is in how members are informed of forthcoming communications that may affect their wards, which they can then use to engage with local residents and feed insight back.

The team spoke with members about their role in the community in gathering insight, building capacity and helping residents and community groups to both find solutions and solve issues. There is an appetite amongst members to do more of this community capacity building as part of their roles. There are models in place elsewhere that have combined community engagement and community capacity building with real effect which the Council may now wish to look at and pilot locally. This is an example of where the Council may benefit from looking at alternative approaches and good practice being shown elsewhere in the sector.

4.3 Organisational leadership and governance

The Council operates through the Leader and Cabinet model with the Cabinet (known as the Executive Board) chaired by the Leader of the Council. Subject to parliamentary process, the Council is due to implement a Boundary Review in May 2020 which is expected to reduce the number of members from 56 to 54. Following this review and the subsequent election results, the Council is committed to reviewing its governance arrangements to ensure these remain fit for purpose. The members and officers that the peer team spoke to believe that the Leader and Cabinet model is fit for purpose and “helps to get the job done”.

The peer team support the commitment to review how the current model of governance is used and would recommend that a particular focus of this review is to ensure all members are suitably informed and engaged in the decision-making process. This should also include consideration of how all members can be supported to play an increasingly crucial role in building community capacity as part of a new overarching operating model.

It will also be of benefit to review how all members of the Council are supported in their roles in the community. This includes having the right amount of information, in a clear and accessible

way. The amount of information shared should be fit for purpose – to inform, advise, engage, learn and to aid accountability. More on this can be found under the ‘Capacity to Deliver’ section.

The Council as part of the governance review may also wish to consider how the Council’s business is discussed at Full Council. An agenda which gives members the opportunity to discuss other issues, such as the big strategic items for Halton may be of benefit. It may also be useful to have an area on the agenda where “reports back” can be brought and debated.

In the Council’s last Corporate Peer Challenge in 2013, a recommendation was made that the Council “review the Policy and Performance Board (PPBs) role to scrutinise matters before they are presented to the Executive”. During this peer challenge it is evident that this has now been put in place and is valued by members. This has been as a positive development and members report feeling able to influence decision making through this. Following the boundary review and local elections, the Council may now wish to look at the arrangements for call in and whether these could be improved to support the use of additional scrutiny when needed.

The Council has in place a comprehensive member development programme which provides a wide range of learning and development opportunities which are valued by members. Within this programme all members have the opportunity for an annual review to identify development requirements. As the Council moves forward into a new operating model which will have implications and opportunities for both the member and officer roles, reflecting these in the member development programme and accessing the relevant external member development training on offer will be important.

Relations between members and officers in Halton are positive. This has helped the Council to deliver despite the challenges it faces. A long period of stable political and officer leadership has also been an asset to the Council in dealing with the challenging funding position and the increasing demand pressures experienced.

The Leader and CEX of the Council are seen as having a positive working relationship and have a personable and open approach which is appreciated both inside and outside the Council. This is symptomatic of the positive working relations between members and officers across the Council.

The Council has an established strategic management team which meets regularly and includes the chief finance officer. Beyond this is a tier of operational directors in a similar arrangement to most councils. At this level, operational directors do not meet routinely. The Council may benefit from this cohort being brought together more regularly to to share issues, challenges and opportunities as part of supporting the Council to develop more joined-up and strategic solutions. This will help the Council in dealing with its challenges, achieving its priorities and consistently implementing the next operating model.

4.4 Financial planning and viability

Reduced public spending has continued to have a significant impact on the Council. A funding reduction of 29.1% since 2010 has been managed which equates to a reduction in spending of £64 million. At the time of the peer challenge a further £26 million was expected to be required over the next three years. This has brought major challenges for the Council in setting a robust, balanced budget each year. The Chancellor's recent announcement of additional local authority funding for 2020/21 gives the opportunity to update the medium term financial strategy and adjust some underlying budget pressures.

During this period, whilst financial and other resources (such as officer capacity) available to the Council have reduced considerably, the demand for the Council's services have increased steadily, in particular those relating to Adult and Children's Social Care. As a result, managing spending pressures within a significantly reducing budget has been clearly challenging. 2018/19 was the third consecutive year in which the Council recorded an overspend position against the available budget, increasing from £0.6m in 2016/17 to £1.0m in 2017/18 and more than doubling to £2.4m in 2018/19. These overspends have been met from reserves but this is clearly an approach that cannot be sustained.

Initial budget savings approved by Full Council in December 2018 amounted to £4.7m of which £1.2m were one-off. In addition to this, the second set of savings approved by Full Council in March 2019 amounted to £4.6m of which £3.6m were one-off (the largest being the release of a £2.4m Liverpool City Region business rate reserve).

Due to the ongoing financial pressure placed upon the Council and increasing demand, the Council is now in a position in which overspending against the revenue budget is increasing and future savings have a significant reliance on one-off (rather than year-on-year) savings, a number of which will then return in future years.

It is now the time to review the budget setting process in light of this. This should be done to help the Council to more closely align its spend against the vision and priorities for Halton, as well as the role that the Council will take in achieving this, given the move to a different operating model. Space for and time to develop new, strategic savings proposals will be required in this revised process. A number of the savings proposals that come out of this may also require a longer lead in time and investment which should be factored in and planned for accordingly. Examples of this lag may be in terms of the time between implementation and cost reduction (where prevention is concerned) or in other cases the necessary engagement process required with all members, partners and the community. These savings proposals should be planned, in suitable detail over a minimum of a three year period.

Getting this space and time will require additional capacity in some core services but also in additional external transformation capability, both of which are featured in the 'Capacity to Deliver' section below. Whilst the year-on-year revenue budget position is very challenging, there is still room for some 'invest to save' one off investment which the Council can use to do this backed by robust business cases. Reserves and balances have been retained at adequate levels compared to other similar unitary councils and the Council has some flexibility

to use capital receipts which it could use to invest in transformation, if this can bring about ongoing savings or reductions in demand after this one-off funding has gone.

Like many councils, the most significant overspend in 2018/19 was in Children and Families (C&F) which saw an overspend of £4.1m (17.5% of its £23.4m budget). This was despite £3m of growth being allocated to the service in the 2018/19 budget. The Council has acted to address overspend here, most notably its approach to increasing the recruitment of in-house foster carers. This has had considerable success, leading to a position whereby the Council is currently spending £0.4m less against this budget than was forecast in April. There is good practice in how this has been implemented in Halton which others in the sector can learn from. Despite the financial pressures the Council has faced, spending against the High Needs Block (which is funded separately via the Dedicated Schools Grant) has been kept under control at a time when other authorities are experiencing pressure in this area.

The overspend against the Children and Families budget however is significant and given the additional demand pressures being placed on this service area, has reached a point whereby the Council should now review whether these ongoing overspends require permanent, additional revenue funding as part of future budgets. Clarifying this will help the Council in setting a relevant budget which can be monitored more easily during the year for financial performance. In areas where overspend does occur, putting in place cross organisational budget recovery plans which bring together functions corporately from operational to strategic levels with clear roles and responsibilities can help in managing known pressures or overspends and holding each other to account.

The Council has recently purchased a value for money tool which can be used to interrogate Council spend compared to similar councils elsewhere and the outcomes they achieve. This will help in setting future budgets by identifying any areas of the budget which are showing particularly strong financial performance compared to outcomes achieved and any areas where more could be done. This can help in the process of arriving at new, ongoing savings options. Being able to show to members the relative budget spend of the Council (compared to similar councils elsewhere) – particularly against their political priorities will be an important part of the new budget process and in more closely aligning the vision for Halton with Council spend.

There is room for improvement when risk assessing new capital projects, their value for money and how they contribute to the Council's priorities. A clearer process that is better understood, with greater transparency would add to the process. To give itself the ongoing assurance it requires, the Council should review the processes that underpin decisions on capital projects and in particular, the way in which robust due diligence is developed, evidenced and captured, through comprehensive, accessible and clear options appraisals and business plans. Demonstrating this process takes place and is documented is crucially important. The process and record is there to consistently test and clearly communicate the financial, policy, performance and risk implications of decisions and the steps to mitigating known risks or issues as well as the governance and monitoring arrangements around these. They are there to protect the Council, officers and members in robust decision making. The Council has available to it external capacity that can also be engaged in bringing external

perspectives and assurance as part of the decision-making process for both major decisions and in managing the challenging overarching funding position.

In recent years the Council has been successful in being able to use effective treasury management to reduce some of the pressures on net revenue expenditure. The Council has been able to make good use of its available capital to take some pressures off the revenue budget.

4.5 Capacity to deliver

Officers in Halton are proud of working at a “can do” Council and a “Council that makes things happen”. The question posed to the peer team by the Council at the start of the peer challenge was how the Council can continue to sustain what it is doing for Halton, given the challenges now being faced.

The funding reductions the Council have experienced have significantly reduced the amount of capacity to deliver, with fewer staff and managers across the organisation. This was recognised during the Council’s last peer challenge in 2013 and is clearly more pressing now.

This reduction in capacity is now being felt in many areas of the Council and was particularly visible during the course of this peer challenge in the lack of corporate capacity within the organisation. This includes the capacity for activities such as transformation, policy, performance, HR, finance, project and programme management. This was a deliberate strategy deployed as a way of protecting more of the frontline services – in particular those that have direct contact with the most vulnerable.

A number of officers in ‘corporate’ or ‘enabling’ functions reported repeatedly taking on additional responsibilities beyond their original skill set. This has happened as staff have left the organisation and then have not been replaced. Whilst this has been seen to be the case in a number of authorities over the last 5-10 years, this has now happened to an extent that a number of officers report feeling too stretched and only being able to deal with the challenges immediately ahead rather than making planned, strategic changes that could include delivering differently, reducing demand or costs. One example of this was in the way in which savings proposals were being increasingly sought and put forward – an approach which appears no longer sustainable.

Whilst the Council is reviewing the corporate capacity it has and where this needs to be strengthened, there may be some opportunities to align similar roles within the organisation. This can give some functions additional flexibility and resilience as well as create opportunities for skill sharing. One example of this may be in the use and distribution of performance, business and strategic intelligence capacity.

It would also be of benefit at this stage to review the use of performance information, evidence and insight across the Council to ensure the right type and amount of information

is available to support effective decision making and accountability. Asking where performance information goes (as well as where it could/should), for what purpose it is produced, how it is currently used and how could it be provided differently will be of benefit. This may include improving the type of performance information shared with members for example – to make this more easily accessible and usable. This would help support informed decision making and scrutiny. Whilst members receive a significant amount of detailed information it would now be beneficial to assess whether more information is leading to members feeling more informed or whether a change of approach could help to do this. The ability to effectively analyse information is key to this. The Council may wish to put training in place to support the development of this skill set in a way that does not mean simply producing more information.

The Council's approach to a Public Health Dashboard may be an example of this, particularly if coupled with the Council's digital potential. This could be used to present a clear dashboard of the measures that matter most to members (such as the measures relating to the key priorities as well as the organisational and financial health). As in examples elsewhere digital solutions can be used to interrogate this information further, and in more digestible chunks as required.

The Council has benefitted from embracing digital solutions. Colleagues in finance recognise particularly the contribution this has had on dealing with the demand and funding challenges the Council has faced to date. ICT has been used to help services work in a more agile, efficient and effective way. It has also been used in individual service areas to particular effect – such as supporting the contact centre to manage and plan for demand. There may now be an opportunity to look at how this can be used more strategically in supporting the delivery of the Council's key priorities.

To deliver the type of transformation required and at the pace required, additional external capacity will be required at a senior level for a fixed period. This will be to work with senior members, senior officers internally as well as partners externally to develop and then implement a new operating model for the Council. This additional senior capacity would be required to work with the strategic and operational directors to ensure this way of working is embedded consistently across the organisation but would also benefit from bringing together into a singular team or virtual team the core functions required to support the delivery of the corporate transformation programme.

The peer team are of the view that the Council may find it beneficial to review the existing approach to shared strategic commissioning in Halton, within which there may be real opportunities. There also may be an opportunity to further align commissioning functions. The pooled budget in Halton was highlighted in the previous Corporate Peer Challenge in 2013 and there are now other examples elsewhere of how far these arrangements can go which the Council might learn from when deciding where to take this next locally.

The new operating model the Council arrives at should state the set of expected behaviours and values for members and officers which are essential to it. For officers, these should then be used alongside a detailed workforce profile to shape a new organisational development strategy. The Council has a committed workforce who recognise the

pressures the Council is facing. There is a low turnover rate of just over 8% and with only 3% of the workforce aged under 24 and with 57% aged over 45 there is a need for the Council to develop succession planning in order to address the imbalance in the profile as a large proportion of staff approach retirement age.

Officers are proud to work at the Council and examples were given of people who have stayed at the Council despite opportunities elsewhere. Officers at the Council are very grateful for the professional development that the Council has invested in them, with a number of officers speaking positively about the ILM Level 5 and Level 7 courses they have studied or are currently studying.

The Council has made a real effort in recent times to ensure a consistent application of pay grades following Job Evaluation and has done so via a managed process. In assuring whether the Council has the right type of capability and capacity, the Council may reflect on the skills that are essential to it and whether in some areas the current pay bandings remain resilient given the market elsewhere. There may be in a small number of cases the opportunity to use some flexibility to ensure the Council can retain particularly hard to replace skills.

5. Next steps

Immediate next steps

We appreciate 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.

As part of the peer challenge process, there is an offer of further activity to support this. The 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. Claire Hogan, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are Claire.hogan@local.gov.uk. Claire will arrange to meet with the CEX in the weeks following the peer challenge to discuss any support needs that the LGA or those elsewhere in the sector can help with.

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 their next Peer Challenge before 2024.