

# Corporate Peer Challenge

## **West Sussex County Council**

*29<sup>th</sup> October to 1<sup>st</sup> November 2018*

Feedback Report

# 1. Executive Summary

West Sussex County Council is a welcoming authority, proud of the area and its communities. It is aware of the challenges faced by communities and wants to embrace change to develop and transform. Everyone who took part in the peer challenge was friendly, engaged and clear about their wish to support the organisation and its transformation ambition, with a general recognition that the direction of travel was improving, and that progress was being made.

The Council has recognised the need to improve service outcomes and establish its own culture as the demands on the County Council are changing and there is evidence of the passion and determination to complete the transition journey. It is an authority that wants to deliver for its communities and wishes to achieve high levels of performance across all services rather than the current challenging mix. The peer review team witnessed areas of good practice and achievement and there were examples of the commitment and enthusiasm to change. The County Council is developing a clearer level of self-awareness and understands the challenges and the opportunities it has to support its ambition for its communities.

The County Council has a significant suite of plans, including its West Sussex Plan, Medium Term Financial Strategy (MTFS) and corporate change programme. The plans give lots of information and a strong emphasis on defined priorities and performance aspirations, desired outcomes which are complimented with an articulate organisation development plan. What is less clear is the overall vision that they are seeking to deliver for the County. Communications are good and well-resourced and give good opportunities to support the delivery and change work. Although high quality and full of ambition to tackle the complex challenges and opportunities faced by the Council the suite of documents set out are a complex map to follow.

The peer team found strong evidence that the West Sussex Plan was understood, has ambitious priorities and that there was the commitment to change and meeting the challenges. The team also found that there was a mixed understanding of priorities, challenges and how the changes would be delivered and that this was resulting in barriers to change being developed or deepened, despite the obvious commitment and effort being made by all. The West Sussex Plan could be strengthened by being clearer about the outcomes being sought for West Sussex and it should be a real focus to increase and achieve the pace of delivery.

The culture of the organisation is being encouraged to change in order to embed a 'can do' approach and is at a point where this needs to translate into a collective focus on continuous improvement in services to meet the ambition of the West Sussex Plan and maximise the capacity of the organisation. The ambition for the place and the Council are well demonstrated by the senior political and officer leadership, staff and partners. The commitment to delivering good services is shared by staff from across the organisation and by politicians from across all parties and partners but has not yet translated itself into consistent practice. The peer team found examples of the ambition being spoken of, recognised but being interpreted differently by different groups of stakeholders.

The Council has strong political leadership and strong managerial leadership both with clear ambition that this could be translated into real strength of Leadership for West Sussex County Council and provide the drive to shift organisational culture to focus on outcomes and a "can do" approach.

The challenges for adult and children's social care services have been noted as specific concerns for the County Council and the peer team found evidence to confirm that these concerns are real and should be dealt with as high risks for the organisation and those that depend on its services. The open and engaged approach initiated in Adult services was challenging and the 100 day plan

for adult services has been approached well and the power of a collective approach is starting to demonstrate impact. The challenges remain significant and need consistent and concerted focus. The service's approach and the openness toward the ongoing social care peer support and challenge was seen by the peer team as supporting significant steps forward in a very demanding service.

There were examples of good practice noted and highlighted to the peer team, in particular the work with District Councils on growth deals, the call centre in Bognor, and the start made to generate income from land and renewable energy. The work on organisational change and the focus on partnership development was clear to the peers, together with the recognition of the capacity for the County Council to support its budget and the presenting pressures with a strong asset base and limited reliance on reserves to support change and savings plans.

The County Council is aware of the opportunities economic growth hold for the County and wider region and is working to improve economic prosperity. The Council has a unique and essential role in delivering both of these agendas for West Sussex. The strength of the Local Enterprise Partnership (LEP) and the role the County Council play on the Transport for the South East Sub-National Transport Body will be essential for the County. The Council plays a leading role in the South East Strategic Leaders (SESL) partnership representing the voice of upper tier authorities to nurture the United Kingdom's economic engine room and promote public service excellence. In addition, the Council has a significant focus on developing a more effective approach to engaging and influencing Government policy in priority areas – from writing to Ministers of Parliament (MPs) to providing written evidence to House of Commons Select Committees and getting West Sussex MPs to take the lead for specific issues facing the Council when engaging with Government. With a commitment to greater regional collaboration it is important that the Council builds on its success and its role in the region and County and as complexity increases has a clear narrative about how it will deliver the right outcomes for West Sussex.

The peer team saw significant evidence of capability, capacity and good will to support the County Councils ambition within staff groups, councillors of all parties and with partners. However, there was an unusual and regular reference to the history of the authority. This has built an expectation of "churn" of senior officers repeated often both in and outside of the organisation. This appears to be having a negative effect in bringing full focus to the service outcomes and standards that West Sussex is ambitious to achieve. The relationship between officers and members was generally positive and the peer review team were impressed with the commitment and passion for the County demonstrated by the Leader and the Cabinet. The same commitment is evidenced through staff but there is evidence that more needs to be done to bring the Cabinet, the senior management and middle management together to lead the cultural change.

To meet the current and future challenges, collaboration and partnership both internally and externally will become increasingly important, as will open and transparent governance. Building on existing good work, the focus on continuing to develop a strong collaborative culture and way of working across the Council should be maintained as a priority for the Chief Executive and the Corporate Leadership Team. The changing nature of local government and the increased focus on growth and commerciality will also require different competencies, skills and behaviours.

Partners would welcome the County Council taking a more open and inclusive approach to its role in the region, as well as within its boundaries. This approach would be welcomed particularly for economic growth and health system development.

West Sussex County Council has good financial management control over the entire budget and recognises the scale of challenge it now faces. The detailed planning and decision making needed to meet these challenges requires immediate attention. The Council has a reasonable level of unallocated reserves and significant assets that can assist the challenging financial environment.

These could provide the Council with strong financial flexibility to invest or mitigate financial demands. There is some evidence that this is understood and that there is real ambition to utilise this opportunity well, but delivery on existing schemes is slow and could benefit from a more bold and clear way forward. The senior politicians and officers that lead this agenda are open to innovation and need to develop the capacity to taking calculated risk and deliver on the apparent willingness to invest to save and invest to generate income. There is a need to ensure that everyone really understands that these opportunities need to be the focus of attention and will require difficult decisions. The decision-making process needs to be agile and clear for all. Current ambiguity in decision making is a major risk and is leading to frustrations for officers and councillors alike.

The decision-making governance for the County Council is clear to those who work within the system and attend regular meetings with the Cabinet. It is less clear for those outside of these meetings. There is reliance on the effective scrutiny process, via Select Committees, to provide the public face of the Council, and Cabinet is unusual in meeting in public only once a year. While the system is entirely legitimate, awareness of the decisions being made and clarity around what and when decisions are made is being lost to those outside of the senior leadership. The content and time lines for reports need to support effective, efficient and clear decision-making. As the financial challenges facing the Council require more difficult decisions there will need to be a need for clarity of report content and recommendation, and the decisions will need to have better collective understanding and support the complimentary roles of Councillors and senior managers.

The peer review team were confident in the developing plans of the Council to deliver the savings gap, based on the corporate hold on the budget. Business cases for invest to save and service savings could benefit from a stronger understanding and culture of delivering on benefit realisation. These plans, however, are challenging; there are 21 projects that require sophisticated programme management and investment to deliver. It is important therefore, that the initial plans and associated business cases for investment are of a good quality and include realistic savings targets, the current figures from an externally sourced consultant need to be verified and real figures confirmed, the peer team welcomed that this was well understood by the leadership. The Council has made progress in this area and has a strong and credible programme team taking shape with impressive methods of working but has rightly identified that it needs to do more.

The peer review team saw a range of opportunities for the Council to further support and develop the systems - small and large - that the Council operates in. Community engagement is developing and the shift from consultation is intended to shift to co-production and joint development.

The Peer Team were asked to consider the five key considerations for a corporate peer challenge and found that West Sussex is fully aware of the challenges and considerations it needs to have. There is understanding of place, priorities, financial capacity and governance in place, and improvements can be made across with an acceleration of the West Sussex Plan and implementation of the corporate change programmes. Priorities could be streamlined to assist this, along with developing the current governance arrangements to support speed and transparency of decision making and supporting the leading officer team to provide the information members need to make decisions and hold a strengthened level of confidence in leadership for the Council. In addition, the peer team found that the Council was strengthening its partnership approaches but could do more to engage with partners to share the issues and develop solutions rather than consult on solutions.

It is clear that West Sussex has begun a structured and well-articulated cultural change programme for the organisation. The ambition is clear with commitment at senior level, particularly with the Chief Executive. It has been met with a positive will to change from staff across the organisation and is welcomed by partners. There is good recognition of the leadership approach and this is having some impact. The organisation would be well served by a period of consolidation,

increasing the engagement and involvement of staff, particularly at middle tier levels and investing in a period of confidence in its ability to be open, transformational and innovative.

## **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 on-site, 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. Chief Executive and Leader need to demonstrate collective leadership inside and outside the organisation:**

Collective leadership is at its strongest when it is demonstrated by the Leader and Chief Executive so they can support each other. This is especially important with the transformation programme being delivered in West Sussex. The development of the West Sussex Plan and the supporting priorities sets the standard for this and the joint commitment from Chief Executive and Leader has been key to the progress made so far.

This level of joint leadership is showing impact where it is in place and replicated between officers and members across the authority. The development of a new governance framework can further improve joint working and demonstrate greater confidence for communities, staff and partners.

### **2. Streamline and clarify your decision-making process and establish clear lines of accountability, collective responsibility and transparency:**

The peer team believe that the more important or controversial decisions could be taken together as a collective cabinet to avoid confusion and delay caused by the existing process with individual portfolio holders. The quality and timeliness of reports to support decision making needs to support this process.

This would clarify the point of decision and more importantly establish a collective responsibility for the cabinet with clear and transparent recommendations from officers. As more difficult decisions become necessary any differences would be clarified by a vote.

### **3. Streamline and clarify your decision-making process and establish clear lines of accountability and collective responsibility between officer tiers:**

Communication channels need to be both 'top down' and 'bottom up'.

Senior officers need to ensure they "walk the floor" within their Directorate, actively listen to staff and demonstrate the confidence to be open to development and continuous improvement.

### **4. Stabilise support for the leadership around your high-risk services and encourage a learning organisation:**

Ensure the newly appointed Director for Adult Services and Director of Education and Skills are adequately supported to meet future financial and service challenges.

Develop a learning organisation through your emerging People Strategy.

**5. Consider establishment of a voluntary Children’s Services Improvement Board with an independent chair:**

Identify an appropriate independent chair and establish a voluntary Improvement Board with agreed terms of reference for key partners. LGA can assist in achieving this recommendation (work already in hand to identify possible candidates for chair via LGA).

**6. Prioritise and champion your pan-regional economic priorities and fully exploit the opportunities of Gatwick Airport:**

Moving forward the Council should think ‘One Public Estate’ and start to facilitate collective solutions working better with key partners. The Council lacks a pan-regional strategic position that takes in the wider context so develop this and become more outward facing and establish a clear position around Gatwick Airport.

We suggest the Council Leader takes the role of ambassador for the County Council on economic growth. Appoint another lead member to act as primary focus around the economic development brief.

**7. Develop a more commercial approach to asset management:**

Develop the implementation plans of the approved asset rationalisation strategy to drive future income generation and enable investment.

Consider development of a contracted out single property vehicle to deliver your One Public Estate work.

**8 Work better with partners and capture their willingness to be supportive:**

Further develop the improved and good foundation of partnering relationships across the wider sector, particularly in health and re-engaging with the voluntary sector around potential future commissioning opportunities.

### **3. Summary of the Peer Challenge**

#### **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 West Sussex County Council were:

- Debbie Ward - Chief Executive, Dorset County Council
- Cllr Martin Hill - Council Leader, Lincolnshire County Council
- Stephen Young - Executive Director of Growth, Transport, Environment & Community Services, Lancashire County Council
- Lorraine Hallam - Chief Officer - HR, Leeds City Council
- Peter Rentell - LGA Peer Challenge Manager
- Angela Kawa - LGA Adviser

## 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 to these questions, you asked the peer team to provide a critical friend review of:

- The Council's approach and strength in partnership working;
- The new corporate West Sussex Plan – are priorities clear, are they ambitious, how will they be delivered, and what progress has been made so far?
- The Children's and Adults transformation programmes – are the priorities clear, are they ambitious and what progress has been made so far?
- The role of the county Council in improving economic prosperity, working with the LEP, district and borough Councils, Gatwick, etc.
- Culture of the organisation – have initiatives that have been introduced (e.g. Step up programme, values leadership approach) had an impact, do staff recognise the direction of the organisation, is there clear leadership?

## 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 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 on-site at West Sussex County Council, during which they:

- Spoke to more than 100 people including a range of Council staff together with Councillors, external partners, stakeholders and young people.

- Gathered information and views from more than 50 meetings and additional research and reading.
- Collectively spent more than 220 hours to determine their findings – the equivalent of one person spending over 6 weeks in West Sussex County Council.

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 (29<sup>th</sup> October to 1<sup>st</sup> November 2018). 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

There is clear political passion for the place and a general understanding of its context within the region. Examples are the clear commitment to attending parish councils and working with them and bringing together local food producers to showcase agricultural production. However, leadership of place isn't just the responsibility of the Council Leader and Chief Executive - everyone in the organisation can play a role. In this regard, the Council's workforce is an underdeveloped asset in telling a more positive story of West Sussex.

The West Sussex Plan is well written and is becoming increasingly embedded across the organisation. Many staff the peer team met were aware of the corporate priorities and the role they play in achieving them and were also familiar with the West Sussex Way as a methodology. The peer team saw a growing sense of optimism that the Council and the place is improving but there is still much to do.

The Council has recognised the need to develop a more consistent approach to partnership working across all sectors. This has been driven by the Chief Executive since his arrival two years ago and a number of the partners the peer team met acknowledged this. In addition, the Council has a very impressive asset base which could be used to much greater commercial advantage to benefit the place. Some partners noted that the Leader does not always attend some of the strategic meetings leading to uncertainty on the political commitment, despite the Chief Executive providing appropriate input. It is crucial for the joint leadership to be present at all key strategic discussions to facilitate a rounded view e.g. Gatwick regional growth opportunities.

West Sussex County Council has 9,000 property-based assets, including commercially valuable locations, property and a track record of development to drive income. The Council may wish to consider looking at a single contracted out vehicle to deliver the One Public Estate work and other authorities, such as Hertfordshire County Council, have done this well.

What the peer team found less clear is what the council's vision for West Sussex is in the medium to longer term – 5 to 10 years; what are you looking to achieve and what will the place look like as a result. Turning this vision into a compelling, forward looking narrative for West Sussex will be the next stage of the journey. There is currently a lack of a coherent narrative that tells the story of the Council's ambitions for the place into the longer term. This stronger narrative would help partners understand the Council's priorities more clearly and would also enable the Council to focus its resources on the partnerships and relationships that are most important in achieving that vision of place.

The future narrative is also relevant to your economic aspirations for the County which are contained in the 'Economic Growth Plan 2018-2023'. More localised aspirations are contained in the various Growth Deal documents. Although, independently these documents provide a snapshot of the economic aspirations of the place, what they do not do is to aggregate these to provide a coherent vision of your economic aspiration. This was mentioned repeatedly amongst partners the peer team met as well as some of the Council leadership team, who acknowledge that the relatively low-level nature of some of the aspirations captured in the growth deals make it difficult to develop a wide reaching and ambitious pan-regional economic vision.

The peer team concluded that as an organisation the Council was relatively inward looking in respect of its role and place as a strategic authority, although we can see signs that this is starting to evolve. In addition, it needs to be more outward facing from a Regional perspective when considering its economic aspirations with Growth Deals. As mentioned above, the Council lacks a pan-regional strategic position that takes in the wider context. It could be argued that the Local Enterprise Partnership (LEP) could operate in this space given that the LEP is not co-terminus to the County, however, this wasn't clearly communicated despite the obvious opportunity to do so. The peer team suggested that the Council needs to be more externally focussed to grasp the obvious opportunities that exist across the place, including a clear established position around Gatwick Airport. This will help to support the building of West Sussex relationships with the District and Borough Councils as key partners in the form of Growth Deals.

Across the organisation the peer team got a real sense of priority overload, whereby numerous initiatives are started but rarely are concluded and fully embedded. Staff informed us that the West Sussex Plan and the West Sussex Way didn't appear to tie together at the staff conference leading to confusion over challenges and ways of working. At the heart of this issue is the extent of political input with cabinet meeting informally on a weekly basis driving a regular input of new priorities which in turn removes focus on the 'big things' that the Council is trying to deliver. Elected members sometimes get into the delivery space rather than the focus on outcomes which is manifested in the number of actions evident in the Economic Growth Plan and the Growth Deals. The outcomes must be prioritised if they are to be realistically delivered.

The Chief Executive has established and leads a senior management team with a strong commitment for West Sussex. This now challenges the historic legacy of the authority changing its senior management. Credible and stable leadership across staff and members is now coming into place.

Across all staff, members and partners the peer team had regular feedback that there was historical 'churn' of staff particularly at the senior leadership level. This is a fact looking back over the past 5-6 years, however, it is in danger of becoming the default narrative which can act as an excuse for not delivering on initiatives. Looking forward this needs to be seen as historic legacy with the new stable leadership driving the introduction of a new compelling narrative about what the Council will achieve for the place in the coming years in partnership with stakeholders, residents and providers alike. Everyone needs to "tell the new story" of West Sussex the Council and the place.

## **4.2 Leadership of Place**

The Council Leader and Chief Executive are recognised as key players in providing strong leadership for the place. The Council Leader has very good visibility with communities and is known and recognised by residents and stakeholders at all levels from strategic boards to parish councils. The Chief Executive has improved partnership relationships over the past two years and is beginning to change organisational culture. This solid platform provides an opportunity to lead and further develop the regional approach to wider public sector reform.

The Council are regarded as an effective partner across a number of regional networks, including Transport for the South East to enhance economic growth and promote public service excellence and South East 7, a partnership of seven councils in the South East. The Local Enterprise Partnership (LEP) Coast 2 Capital is developing work around the

establishment of a Strategic Economic Plan (SEP) but this needs further work to fully garner the benefits.

West Sussex is increasingly influential across a wide range of regional and national networks, including the Association of County Chief Executives and Localis. However, the narrative of place needs to better reflect the many local places that make up the County. The County Council's staff are under-used ambassadors for the Council and the place and should be utilised as advocates. There was a mixed response from District and Borough Councils regarding engagement with West Sussex and there are significant opportunities to improve two-tier working to deliver value for money in a more collaborative manner. In particular, economic growth is an under used area with the District and Borough Councils though we saw evidence of good practice in some of the Growth Deals in place with all of the District and Borough Councils across West Sussex. Five-year deals have already been agreed for Arun, Adur and Worthing, Chichester, Crawley and Mid-Sussex with a deal for Horsham to be signed shortly. Work is also underway to agree further deals, such as Health and Wellbeing including Public Health, to complement the original deals.

The opportunity presented by Gatwick Airport for the Council to operate on a pan-regional and international stage are immense and should not be understated. However, at present these opportunities have not been fully exploited. We recommend that the Council develops and communicates its position on Gatwick and seeks to exploit the economic possibilities the Airport presents. Whilst we acknowledge the political and economic challenges the Gatwick expansion brings the additional job creation and business rates potential could help support the Council's economic position and future aspirations in a number of areas.

Moving forward the Council should think 'One Public Estate' and start to facilitate collective solutions working better with key partners. The heart of much of the political drive around the economy is through the Council Leader who takes the role of economic lead and, more impressively, as the most visible ambassador for the County Council. Given time constraints placed on one individual to undertake both these roles there is a significant risk to the organisation if capacity in this area is not increased. The peer team suggest that the Leader focuses primarily on the ambassadorial role and is supported around the economic development brief by another lead member.

Following an LGA Adult Social Care Peer Challenge in May 2018 an improvement programme was launched in July comprising six projects with an initial 100 day improvement plan. The first 60 days of this programme proved to be very challenging with little improvement, however, the peer team's view was that some traction is now in place and this must be maintained to enhance service improvement. This situation was not helped by the recruitment process for a new Director of Adult Social Services (DASS) though this has now been completed with the successful candidate starting in January 2019. The peer team recommended that the Council takes every opportunity to integrate the new DASS at the earliest opportunity in all strategic and operational discussions for the service to facilitate a smooth induction.

We visited the customer contact centre and were impressed with the service. We evidenced excellent examples of proactive work to manage peaks in demand for school place enquiries and more efficient processes to respond to Highways fault reporting. Transfer to on-line channels is making good progress and social media is being monitored. The enthusiasm and innovation were palpable and could be harnessed to reach beyond service users through to communities and use collected data to inform decision making. This would significantly improve community consultation which at present is very traditional and more of a 'tick-box' exercise.

The LGA Communications Peer Review that took place early in October 2018 identified some areas where the team need to improve, particularly with forward planning, focus and clear strategy. This should help to improve consultations, but the Council leadership need to think about engaging communities and partners earlier to obtain buy-in for some of the more difficult decisions ahead. Generally, relationships with the local media appear to be positive.

In the view of the peer team the Council are 'behind the curve' on comparison with other County Councils across the country with new initiatives currently being rolled out, for example, Supporting People and Whole Council Design, having been delivered 3-5 years ago by other authorities. The Council is seen as financially sound with a healthy staff resource so there has been no "burning platform" to deal with. This has probably resulted in the current day to day operation of the organisation, however, future funding challenges will steer the Council to implement a different operating model and will require change to happen at greater pace. The Council must now focus on making sustainable change happen.

From interviews and review of selective key data the peer team's view is that Children's Services are currently fragile. We are aware that you are expecting an Ofsted inspection in the next six months and with the Director of Children's Services on long term sickness absence leadership is critical. The Executive Director already has a full work brief covering Adults, Children's and Education with no spare capacity and with gaps at senior leadership level in all these services, though being resolved in two of them, further assistance is critical. We would suggest the establishment of a voluntary Improvement Board with an Independent Chair to steer your course over the coming months, this will also be well received by Ofsted though it will provide no guarantee of subsequent inspection rating – LGA can support and assist you in this approach.

We evidenced some strong local partnership arrangements as previously mentioned but more work needs to be done across other sector partners such as the third sector and health. There are active and committed community leaders and voluntary sector organisations who want to work collaboratively and with the Council through co-design of services but at present feel outside the loop.

Regarding the health and social care integration agenda significant additional work is required to streamline health engagement and to develop stronger relationships with health partners. Whilst acknowledging the complex geographical footprints with the Sussex and East Surrey Sustainability and Transformation Partnership (STP) the current frank and open dialogue with health partners, though promising, must be turned into action to ensure more streamlined governance across all boundaries. There must be collective ambition with systems leadership.

### **4.3 Organisational leadership and governance**

The peer team saw evidence of constructive member and officer working relationships at all levels across the Council. The Council Leader and Chief Executive are seen as symbolic of the improvement journey the Council is on and are both passionate, skilled and experienced about achieving future aspirations for the Council and the place.

Staff the peer team met are loyal, committed and highly motivated to deliver good quality services and there is a 'can do' attitude developing. New initiatives are welcomed and generally considered to be effective; for example, the establishment of an annual staff conference and the launch of a staff recognition awards scheme.

The peer team were aware that there had been difficulties recently, particularly with your Corporate Management Team (CMT), in relation to a performance related pay award. The Chief Executive refers to CMT as the “power of 100”, therefore, in our opinion now is the time to put the past behind you and harness the collective influence and considerable experience of CMT and all frontline staff to move forward. This will involve building greater trust and further empowering staff to deliver. To achieve this step change will also require greater engagement and visibility from senior officers in order to build trust and confidence by them walking the floor more, actively listening and feeding back objectively. The ‘corridor of power’ was mentioned to the peer team a number of times resulting in a perception that senior staff are quite distant from the frontline. We acknowledge that the Chief Executive is leading this change and is regularly seen at different sites across the County.

The council must ensure that the emerging People Strategy is fit for purpose and involves both staff and Trade Unions. The Council needs to engage a wide internal stakeholder group in the production of the strategy and ensure it is linked with transformation plans and is not just about the process. The People Strategy should be clear on recruitment and retention and significantly succession planning. Develop an internal talent pool and provide training opportunities to enable staff to develop further skills and competencies e.g. contract management, commissioning.

The Council has a developing organisational culture with staff at all levels starting to reflect new behaviours and values. However, the changing nature of local government and the increased focus on growth and commercialism will require different skills and competencies going forward so leadership development programmes and succession management will be a critical area of consideration. We suggest you push harder and faster on embedding your values with confidence.

The Scrutiny process is effective. It is well established and is liked and has the confidence of backbench and cabinet members along with officers. Councillors feel that it is well supported by officers and that a non-partisan, constructive challenge is welcomed by the Council leadership. The main access is via the forward plan, referenced by portfolio holders or scrutiny agenda setting. We saw evidence of change being effected due to Scrutiny. Unusually, there is no substitute system for councillors. Although scrutiny is transparent once decisions proceed to portfolio decision there is some confusion with external partners and backbenchers around the process. In addition, opposition councillors are disappointed that chairs and vice chairs are not available to them.

The Democratic Services team is respected by councillors, who appreciate the quality and conscientious service that they generally receive. However, simpler systems would help everyone.

The Leader and Chief Executive are both strong personalities and believe they have the best interests of West Sussex in the way they want to move forward. High expectations on senior staff is necessary for an aspiring Council and that needs to be balanced by maintaining a reasonably stable team who can work together well. Collective leadership is at its strongest when it is demonstrated by the Leader and Chief Executive; current examples being on Children’s, Adults and Transformation where the Chief Executive has the relevant Cabinet Members on board and impact is being seen. It is important that the Chief Executive and Leader continue to demonstrate unity on key decisions and show by their actions that they are working jointly for the benefit of the Council and West Sussex the place. Senior officers also need to demonstrate confidence and develop better information sharing with members to promote collective and supportive leadership.

The Council is unusual in that it has very few formal, public cabinet meetings. Apart from those decisions taken by full Council, the remainder are taken by individual portfolio holders at different times. These decisions are published and processed by the Council. However, with external stakeholders and on occasion internally, there is confusion as to when and where the decision will be taken and whether it has been altered in the light of comments. It would not be efficient or sensible for all portfolio decisions to be taken in a formal cabinet, however, the peer team believe that the more important or controversial decisions could be taken together. This would clarify the point of decision and more importantly establish a collective responsibility for the cabinet with clear and transparent recommendations from officers. As more difficult decisions become necessary any differences would be clarified by a vote.

We received a number of comments that reports were received too late in order to give people sufficient time for proper consideration. It appears that the organisation sometimes struggles to get complicated reports delivered promptly due to confusion. An established set routine of regular decisions should assist the process. Once the decision-making process is reviewed and changed a key benefit is clarity on the timescale to deliver and on when timetable reports are required such that one flows from the other. In summary, we strongly recommend that you review and revise your decision-making processes and streamline your governance.

Streamline what you are saying and asking for moving forward. Be clear on what matters most and focus on that and ensure it is sufficiently resourced to deliver. This will require more robust project and programme management to prioritise new initiatives via an agreed business case with benefits realisation. It is the view of the peer team that the quality of business cases is not currently well developed, and there is a need to move away from the current approach, whereby too many priorities are started and rarely concluded and embedded. Better use of resources will be required and reflected within the council's MTFS to achieve future outcomes.

Your performance management system is well established but appears very traditional. There is an opportunity to use more insightful data and be more creative so that the system robustly informs decision-making and allows resources to be provided where most required. LGA can provide signposting to other local authorities who are using performance management in a more strategic way rather than to support operational delivery.

We saw limited evidence of commissioning activity across the organisation. Subject to a detailed option appraisal, joint commissioning should be more actively considered to support amongst others the health and social care integration agenda. In addition, the voluntary sector should be given a more collective voice at the table to influence and help co-design services, particularly across Adults and Children's Services.

#### **4.4 Financial planning and viability**

The financial position for the Council is comparatively sound overall given the current situation within local government regarding funding. Despite significant demand pressures, particularly with regard to vulnerable adults, the Council has managed its budget well to date.

The Council has a Medium Term Financial Strategy (MTFS) which sets out the budget challenge over the next four years. The detail published is clear and transparent. The overall reserves position is reasonably strong, and taking account of earmarked reserves

total usable revenue reserves are healthy at around 30 percent of the net budget. The Council has set a balanced budget for 2018/19 without the need to draw upon reserves.

The scale of the future financial challenge is understood by the Council who acknowledge that business as usual is not an option going forward. The Council has delivered £216.2m of savings since 2010/11 and are looking at further savings of £145m over the next four years, having assumed Council Tax increases over the same period.

West Sussex should be given credit for the quality and detail of their financial reports in public reporting via Scrutiny, whereby the financial challenge facing the Council is both publicly and openly reported. Reserves are reported in detail setting out each amount and its purpose. The budget report also includes a measured assessment of the Council's position, setting out a good risk assessment.

The Council's external auditors have issued a clean audit certificate in respect of both the financial accounts and their conclusion on economy, efficiency and effectiveness. There were no matters of concern to report to the Council.

The Council has a substantial Capital Programme which sets out plans to spend £800m over the next five years. Funding of the capital programme depends on generation of £110m of capital receipts and an increase in borrowing of £340m. The peer team has explored the affordability of these plans and consider the approach taken by the Council to be financially prudent and deliverable supported by the investment in partnership working with the District and Borough Councils.

Some future savings are already identified but there is no published detail at this stage. Delivery of required savings will become much more challenging particularly around the Whole Council Design (WCD). Current savings identified from WCD are £17-25m and are drawn from staff spend only. There is potential for additional savings from third party spend, alternative service delivery, income and use of assets to help bridge the budget gap.

There is an opportunity to embed a risk culture across the organisation. Currently, risk is managed in a very traditional manner and needs to be given a higher profile across the leadership team. Audit is similarly used in a traditional way to check what is being done rather than being involved in development and delivery of the change programme. The Council could use both risk and audit better to inform future transformational change and move away from a compliance and risk averse culture.

The Council should also consider establishing a more aggressive and structured approach to commercialism, to include an income generation strategy. You will need to consider whether this can be delivered with existing capacity and resources. Work will be required to articulate exactly what this means to staff and what is expected of them and whether new skills need to be developed or bought in. There is a growing body of practice and examples from across the public sector that can inform the debate, including a range of information and case studies on the LGA website at:

<http://www.local.gov.uk/commercialisation>.

## **4.5 Capacity to deliver and resources**

As mentioned previously there are many opportunities to further enhance partnership working in order to consider joint solutions and build capacity. You have the added advantages of a solid financial platform and a well-resourced organisation in your current format to drive this. In particular, the voluntary sector told us they were very keen to re-

engage with the Council in order to get involved in projects at inception stage, to help co-design solutions and subsequently deliver services on behalf of the Council where they have specialism and are clearly best placed.

You have made a good start around organisational cultural change having developed a set of values to underpin and guide all future behaviours with partners and communities. However, the changing nature of local government and the increased focus on growth and commercialism will require different skills and competencies going forward so leadership development programmes to target internal talent will be a critical area of consideration. We suggest you push harder and faster on embedding your values. One quotation we were given summed the Council up as a “persistently passive organisation” in its current form and this must change.

Achieving change requires the Council to tell a compelling narrative of the need for things to be done differently; to be clear about governance with the right people - political and managerial - fully signed up and to ensure there is capacity to deliver through appropriate alignment of transformation resources, management accountability and staff engagement. It will require a wholesale re-assessment and re-alignment of current available resources to ensure you take staff with you on the journey. Staff resilience will be a key issue to carefully monitor as pace of change increases.

Staff morale is relatively low, as evidenced by the recent staff survey with a positive response of 47 percent, with low confidence that any subsequent actions would be taken to address problem areas identified in the survey. This will require trust to be built across all staff which must be demonstrable from senior officers and politicians with greater empowerment given to them, so we suggest you develop an engagement strategy and then stick with the plan. There is a pivotal role of middle managers at your CMT level in achieving this and accelerating this programme of support, development and challenge. Whilst people talk about ‘business as usual’ no longer being an option in terms of the financial challenges faced by the Council, more could be done to demonstrate there is a critical mass of improved outcomes so that people can see the benefit of expending time and energy in leading change.

The newly established project and programme office looks promising though recruitment is still on-going. We were impressed with the staff we met in the programme office along with proposed methodologies to drive the transformational change under ‘Whole Council Design’. The Council will need to ensure that arrangements are in place to enable the linkages, sequencing and inter-dependencies between the various projects - 21 projects in total - and activity to be clear. Robust monitoring and accountability will need to be a key feature of the Council’s programme governance to ensure the contribution to the budget strategy. Such an approach is necessary to consider the linkage of key work streams in any transformational change programme, such as asset rationalisation with agile working and channel shift; and should inform more effective cross-Directorate working.

This approach should help to ensure buy-in across the organisation to the transformation programme. You will need to win ‘hearts and minds’ of staff to ensure a successful outcome to budget savings. Staff were concerned at the potential savings estimates provided by an external consultant in their external overview as they were unable to access the base data used to do the calculations and could not reconcile the figures with their own. The consultant’s work needs to be validated and the double counting risks and basis for the figures needs to be checked and confirmed as realistic before figures start to be agreed and used. The Council must be realistic about actual savings and timelines to deliver the level of change to ensure outcomes are achieved. We acknowledge that work is progressing on this and had commenced prior to the Corporate Peer Challenge.

We found contract management generally to be poor – an example being the Shaw’s Contract for provision of beds for vulnerable adults - and it will be critical to enhance such skills across staff as a key element of transformational change. Ineffective contract management will lead to additional unforeseen costs being paid and opportunity for the supplier to drive the service at their pace. Development of robust service level agreements must be a key part of future learning and development.

The Council needs to adopt a consistent approach to digital transformation. It would be beneficial to automate as many tasks as possible and introduction of enhanced mobile technology for staff would increase efficiency and reduce use of paper. As above we accept that this has been fully recognised and that work has commenced on this issue prior to the peer challenge.

There should be one IT system for all members of staff to access to ensure interface between all channels of communication and residents including, but not limited to housing, adult social care, children’s social care, neighbourhoods and finance. This would help to provide good knowledge and infrastructure around the person. Current IT infrastructure is poor with lack of connectivity and delay in service response, so investment in IT will be critical. Investment in the infrastructure should be accelerated in conjunction with transformational change.

The council could use data to inform intelligent decision making as well as tracking performance as currently the council appears to be data rich but could deploy a more intelligence-led approach. Given your majority annual spend on Adults and Children’s services we suggest a targeted approach to Demand Management across the organisation in conjunction with your early help offer in order to reduce demand at the front door for adults and children’s services to keep them out of the care system. Similarly, explore opportunities for greater structural alignment with health to support joint commissioning, for example Data/IT/Risk Stratification.

As previously mentioned, additional work is required to streamline health engagement and to develop stronger relationships with health partners in support of a health and social care integration agenda. Current frank and open dialogue with health partners is promising but must now be turned into action to ensure more streamlined governance across all boundaries.

There are opportunities to be explored for further co-located working based on the effective work currently in the Multi-agency Safeguarding Hub along with further consideration of shared service arrangements across neighbouring local authorities where a business case stacks up.

## **5. Next steps**

### **Immediate next steps**

We appreciate that the political and senior managerial 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. Kate Herbert

Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Email [kate.herbert@local.gov.uk](mailto:kate.herbert@local.gov.uk) Mobile No. 07867 632404. From January 2019 there will be a new LGA Principal Adviser for the South East Region being William Brookes. His contact details are [William.Brooks@local.gov.uk](mailto:William.Brooks@local.gov.uk) Telephone No. 0207 664 3053.

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.

Thank you to everyone involved for their participation and for engaging so constructively with the peer challenge. In particular, please pass on thanks from the peer team to Andy Smith, Amy Nelson and Clare Tivey and their colleagues for their help and sterling support prior to the peer challenge and during the on-site phase.

### **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. The new Principal Adviser for South East Region, William Brookes will contact you early in 2019 to discuss and agree a way forward.

### **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 2023.