

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
LEADER OF THE COUNCIL	COUNCIL	17 JULY 2017	13

### LOCAL GOVERNMENT ASSOCIATION PEER CHALLENGE REVIEW

#### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

#### SUMMARY

The report provides details of the work carried out by the Local Government Association as part of the Peer Challenge Review process in 2016 and includes the final report that includes feedback on strengths as well as areas for improvement and further development. In response to member enquiries when the draft report was published in September 2016, a follow up session was held for elected members only on November 2<sup>nd</sup> 2016 that highlighted issues for further investigation and action which are included in the report. Members are asked to note the work carried out by the LGA on behalf of the council and support the use of the relevant feedback to inform improvement actions.

#### RECOMMENDATIONS

1. That the council note the report produced by the LGA Peer Challenge Review Team included at Appendix 1 and the constructive feedback provided to assist the council.
2. That the further actions agreed at the follow up session for elected members only on November 2<sup>nd</sup> 2016 and included in Appendix 2 are progressed and developed as part of the councils improvement agenda.
3. That the Leader writes to the LGA Peer Review Team to thank them for their work at Fylde and the advice and support they have provided over the last 12 months.

#### SUMMARY OF PREVIOUS DECISIONS

None

#### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	√
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	√
Working with all partners ( <b>Vibrant Economy</b> )	√
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	√
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	√

## REPORT

1. An LGA Peer Challenge Review is improvement-focussed and tailored to meet individual councils' needs, it is not an inspection, it is best practice rather than compulsory and the advice is provided to assist and support. The review is designed to support, complement and add value to the council's own performance and improvement plans. The peer review team use their experience and knowledge of local government to reflect on the information presented to them through interviews and group work, evidence they found on site and documents they examine throughout the process. The team prepared for the Peer Challenge Review by examining a range of documents and information to ensure they were familiar with the council and the challenges it is facing. The team then spent three days on-site during which they:
  - Spoke to more than 80 people including a wide range of council staff together with a significant number of councillors and external partners/agencies and stakeholders.
  - Gathered information and views from meetings, a short tour of the borough, observing a Development Management Committee meeting and additional research and reading.
  - Collectively spent more than 120 hours to assess and determine the findings – the equivalent of one person spending more than 3 weeks at the authority.
2. The report included in Appendix 1 provides a summary of the findings from the Peer Challenge Review which is presented by fellow local government officers and members, not professional consultants or inspectors, as advice and support on what is going well, what could be done better and what should be considered in forward planning given the challenges facing local authorities. The reviews are used by local authorities as one of the evidenced based information sources that inform forward planning and proposed improvement initiatives.
3. By its nature, the peer challenge is a snapshot in time and it is recognised that some of the feedback will be about things the council is already addressing and progressing. It is recognised that some of the issues have progressed since the review and the publication of the report for example the Combined Authority and potential boundary review and therefore the feedback and proposed options in respect of these issues have been addressed. The report highlights the strengths and successes of the council as well as providing advice on areas for improvement or measures that can be taken to prepare for the next significant change in local government, which at the present time is the requirement to be self-sufficient by 2020.
4. The peer review team explored three issues:
  - The ability of the council to deliver its priorities within the resources available
  - The capacity, abilities and potential of the administrative and political leadership
  - An assessment of overall strengths and weaknesses of the council
5. There are a number of established standard questions that corporate peer challenge teams apply to explore the councils ability to prioritise, plan and deliver within its resources, which are:
  - Does the council understand its local context and has it established a clear set of priorities?
  - Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
  - Does the council have effective political and managerial leadership and is there a constructive partnership between officers and members?
  - Are effective governance and decision-making arrangements in place to respond to key challenges and manage change and transformation?
  - Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?
6. The LGA Peer Challenge Review report has already been used to inform operational improvement initiatives since it was published in September 2016, in particular the creation of the Self-Sufficient Working Group

which examines ideas for income generation and service efficiency, and an increased focus on developing a more commercial approach.

7. When the report was first published a number of elected members sought further clarification about the findings and representations were made to the Peer Review Team lead. In response the Lead Officer from the LGA, Neil Shaw and the Lead Chief Executive on the review team, Shelia Oxtoby returned on site to hold a follow up session that all members were invited to on November 2<sup>nd</sup> 2016. This provided the opportunity for the team to clarify the findings in the report addressing the issues that some members had raised but also the opportunity for further discussion with elected members about the key strategic issues the council needs to address.
8. The note included in Appendix 2 to the report provides details of the issues that were discussed by the members in attendance on November 2<sup>nd</sup> that should be explored further as part of the improvement agenda at Fylde. Only 14 members were able to attend the additional follow up session so it is important that the follow up actions agreed are presented to the council and proposed as part of the improvement agenda. The relevant feedback from the LGA Peer Challenge Review as well as the issues discussed at the follow up session will be used to inform targeted improvement initiatives and forward planning.
9. The LGA Peer Challenge Review and follow up support was provided as part of the membership of the LGA and designed to provide independent and impartial advice on improvement that is most suitable for Fylde given the capacity, resources, culture and appetite of the council set against the challenges common to local government. The council should seek to make the most of the opportunity provided by using the feedback and advice as one of the evidenced based sources that can inform future improvement.

IMPLICATIONS	
Finance	There are no direct financial implications as a result of the report.
Legal	There are no direct legal implications as a result of the report.
Community Safety	There are no direct community safety implications as a result of the report.
Human Rights and Equalities	There are no direct human rights or equalities implications as a result of the report.
Sustainability and Environmental Impact	There are no direct sustainability or environmental implications as a result of the report.
Health & Safety and Risk Management	There are no direct health, safety or risk management implications as a result of the report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Leader	<a href="mailto:listening@fylde.gov.uk">listening@fylde.gov.uk</a> 01253 658658	April 19 <sup>th</sup> 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

Attached documents

**Appendix 1** – The LGA Peer Challenge Review Report for Fylde Council

**Appendix 2** – The LGA Peer Challenge Review Follow Up Session Note



Corporate Peer Challenge

**Fylde Borough Council**

25-27 May 2016

Feedback Report

## Executive Summary

Fylde is a borough which has created an excellent environment for its residents and has huge potential for the future. The council is lean and provides core services to a good standard. The quality of many of its services are good and many of them are delivered at an average cost below many other district councils nationally, demonstrating good value for money overall. Feedback from residents on council services continues to be high.

The borough has a wealth of natural and economic assets on which to build. This includes the quality of the natural environment, quality of life and a number of nationally renowned employers such as BaE Systems and Westinghouse. The council is also financially robust, with healthy reserves forecast over the remainder of this decade and as such is in a stronger financial position than many other district councils. This strong financial position has been hard won with the council transforming its financial management and consequently delivering greater financial resilience through tight financial control over the last eight years. Going forward this financial control needs to be carefully balanced with the opportunities which could be presented by the council taking measured risks in order to reap greater rewards for the borough in the future.

As the future role of local government continues to change, Fylde must decide what kind of council it wants to be and – more importantly – what kind of borough residents are likely to want in the future. The council should play a strong role in shaping the kind of borough you would like Fylde to be. There are opportunities to be ambitious and innovative for Fylde and missing economic opportunities for the borough can be a risk for the long-term sustainability of Fylde as a vibrant and dynamic area.

The nature of local government is changing. Local authorities in the future will need stronger leadership, greater innovation in delivering outcomes for residents and to manage the significant reduction in Government grant funding so that they can be more financially sustainable. The council could be more ambitious for Fylde. It is for the leadership of the council to decide what kind of place it wants the borough to be in the next 10-20 years. However, taking a more balanced approach – growing the local economy whilst retaining the core heritage and quality of life aspects of the borough – will be critical if Fylde is to be more vibrant and meet the needs of people of working age to a greater extent. Delivering this will require stronger leadership in the future.

Fylde is already a lean council although further savings will be needed as a future funding gap is forecast. The overall staffing, financial and management capacity of the council will be a challenge in a time of diminishing public sector resources. Fylde Borough Council will need to be a different organisation in a few years' time. One which has embraced different operating models to a greater extent, uses its influencing role more effectively and takes a more commercial approach with a greater sharing of risk and reward. The council has a number of sound building blocks in place to deliver this ambition.

However, the council will need to bring forward more specific plans to bridge the funding gap it will have from 2018/19 in readiness for next year's budget cycle and take opportunities to reshape services to make savings or generate greater income. We are also encouraging members to take a stronger political leadership role and we also believe

now is an appropriate time to invite the Boundary Commission to review the appropriate number of elected members for the authority in the future.

## **Summary of the peer challenge approach**

### **The peer team**

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

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

- Sheila Oxtoby, Chief Executive, North Norfolk District Council
- Cllr Glen Sanderson, Deputy Leader of the Conservative Group, Northumberland County Council
- Cllr Mike Haines, Leader of the Independent Group, Teignbridge District Council
- Karen Iveson, Chief Finance Officer, Selby District Council (and Asst Director, Strategic Resources, North Yorkshire County Council)
- Neil Shaw, Principal Adviser, Local Government Association

### **Scope and focus**

You asked the peer team to explore the following three issues:

- Reality check on the ability of the council to deliver its priorities within the resources available
- Examination of the capacity, abilities and potential of the administrative and political leadership
- Assessment of overall strengths and weaknesses

The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. There are a series of guiding questions for all corporate peer challenges which we used to explore the first two areas of focus. These are:

- Does the council understand its local context and has it established a clear set of priorities?
- Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Does the council have effective political and managerial leadership and is it a constructive partnership?

- Are effective governance and decision-making arrangements in place to respond to key challenges and manage change and transformation?
- Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

### **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 focus. 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 three days on-site between 25-27 May 2016, during which they:

- Spoke to more than 80 people including a wide range of council staff together with a significant number of councillors and external partners/agencies and stakeholders.
- Gathered information and views from meetings, a short tour of parts of the borough, observing a Development Management Committee meeting and additional research and reading.
- Collectively spent more than 120 hours to determine their findings – the equivalent of one person spending more than 3 weeks at the authority.

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. 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.

## Detailed feedback

### Ability of the council to deliver its priorities within resources

#### Understanding of the local place and priority setting

1. Collectively, elected members have a passion for Fylde which is palpable. The Conservative Administration have provided a clear steer on priorities for the council and as part of this process in February 2016 the council adopted a new corporate plan with five priorities: Clean & Green, A Vibrant Economy, A Great Place to Live, A Great Place to Visit and Value for Money. This included publishing a clear summary of the priorities in the form of a 'plan on a page'.
2. Fylde is a charming borough, with towns and villages located in a high quality natural environment. People aspire to live in the borough, demonstrated for example, by the significant number of people of retirement age who move here. It does not suffer from the scale of public sector problems which many other areas of the UK do. For example, crime is relatively low overall, educational attainment is very good, the health of local people of working age is relatively good and employment levels are higher than the national average. However, this overall positive picture does mask smaller pockets of deprivation across the borough. Fylde is also facing the understandable health challenges associated with an ageing population.
3. Despite having clarity on its five current priorities, the council would benefit from further developing its longer-term strategic thinking. This includes defining what kind of place it would like to see Fylde being in the future. At the moment, the priorities largely reinforce the importance of preserving the quality of life for existing residents. There are opportunities to be bolder and more ambitious in terms of growing the local economy (and the associated housing which would accompany this to some extent). The priorities could more ambitiously express what kind of place Fylde could be in the future. Fundamentally, the council should be investing in the future of the borough to help bring about a vibrant local economy.

#### Leadership of place

4. The peer team have framed the leadership of place around the council's five agreed priorities. On the 'Clean & Green' priority it is clear that the council is delivering some strong outcomes. Now and in the past, the performance of a number of core environmental services has been good. Fylde has five parks with 'Green Flag' awards. There is a clear pride in keeping the physical environment and public realm clean and tidy and the council receives good public feedback on this. 48% of waste is being recycled annually and this is well above the average for other district councils in the North West. The council are demonstrating good value for money on many environmental services. For example, spending on waste management is amongst the best 20% of district councils nationally. The council has also worked

closely with the Environment Agency, including securing a £20m coastal defence project for the Fylde coast.

5. On the 'Vibrant Economy' priority there is more of a mixed picture of achievement. Education and skills play a critical role in a strong local economy. Educational attainment in the borough is well above the national average. Three of the boroughs secondary schools are rated either 'good' or 'outstanding' by Ofsted (and the other two have not yet been rated). The Office for National Statistics annual national survey of earnings shows average earnings in Fylde are in the top 20% of districts nationally. The performance of the council's core planning service - supporting economic (and housing) development - is good. Currently 100% of minor planning applications and 77% of major applications are determined within the statutory timescales. The Blackpool Airport Enterprise Zone provides good future opportunities for business growth.
6. However, from a planning perspective there is a lack of a consensus view on a vision for Fylde in the future. There are pressures to grow the local economy (and the associated housing developments). However, the council does not yet have an agreed Local Plan. This tension over growth/development has existed for a number of years and was identified by the Planning Advisory Service peer challenge in 2012. There is some evidence to point to a relative slow-down in the local economy in recent years, including a decline in the number of active businesses in the borough (from 3,425 in 2009 to 3,230 in 2014).
7. The council's 'Great Place to Live' priority encompasses a broad range of issues including health, community safety and housing. Health outcomes for young people and people of working age in Fylde are better than the national average. The council recognises that, particularly with an ageing population, its residents face a number of health challenges. The council is involved in the national Healthy Towns pilot as part of local partnership with the private and public sector and is encouraging social landlords like Prospect, to introduce telecare in their new housing developments as just one of the developments to support older people. There will be opportunities to have a stronger impact on public health issues, but at present it is challenging to get consistent input from the County Council on the issue and there is a need for clearer joined up plans on health/social care for older people in the borough in the future.
8. The County Council is undergoing significant change due to reducing financial resources. Some of this is having a direct impact on Fylde in 2016. There is a current proposal to close four of the borough's five public libraries and the remodelling of adult social care is likely to have a strong impact on Fylde due to the age profile of its residents. This is a good example of the need to ensure communities are resilient to changes in public services, either by reducing demand or explore alternative ways of delivering services jointly with other public sector partners and voluntary organisations. Here is an opportunity for the council to use its influence to shape such services in the future. Fylde has good outcomes on

community safety. Recorded crime overall in the borough is well below the national average. The fear of crime is above the average, which is likely connected to the older age profile of the population. The council has undertaken some joint working with neighbouring Wyre Council on CCTV. The council also makes good use of a wide range of voluntary groups to improve outcomes for residents, including; for example, the work around Britain in Bloom.

9. In terms of housing, although it is anticipated that the Local Plan will be adopted by March 2017, the revised preferred option for the Local Plan has proved controversial for some Fylde residents and members. 97% of respondents to the annual resident survey indicated Fylde is a good place to live. The current plans seek to approve 370 homes across the borough per year. The council currently has a cumulative shortfall of around 735 homes and this is creating development pressures. The peer team recognise the building of new homes is an emotive issue in Fylde for some residents and members. There are also likely to be opportunities for innovative commercial development in the borough in the future. It is for the leadership of the council to decide what kind of place it wants the borough to be in the next 10-20 years. However, taking a more balanced approach – growing the local economy whilst retaining the core heritage and quality of life aspects of the borough – will be critical if Fylde is to be more vibrant and meet the needs of people of working age to a greater extent.
10. Fylde places a strong emphasis on tourism expressed through their ‘Great Place to Visit’ priority. Fylde has a good track record for events and festivals which are a major plank of the council’s work on promoting the tourist economy. The council’s focus on maintaining its natural assets is valued by residents and visitors and supports the borough’s tourism offer. The borough has a wealth of heritage buildings and visitor attractions and a differentiated tourism ‘offer’ to its neighbour Blackpool. The attractions and events are too numerous to list, but provide a strong tourism offer particularly for day visitors and visitors to the Royal Lytham & St Anne’s Golf Course. Again, the council could take on a more influencing role to shape the offer in the future and using its assets to achieve a revenue return for re-investment in the borough.
11. The council has a long history of seeking more efficient ways of operating. This continuing emphasis is captured in the council’s ‘Value for Money’ priority. The council has made good progress on securing value for money in many of its services. This is explored in more detail later in the report. Resident satisfaction with services is high, demonstrated by the very positive response to the annual resident survey, the relatively low level of complaints and the growing number of recorded compliments. The council has a shared service arrangement on revenues and benefits with Blackpool Council. This appears to be working well, performance is good and the shared service arrangement is providing better value for money. The council shares a small number of other services with other providers in order to improve the resilience of small services and provide better value for money. This

includes provision of HR/Payroll from Blackpool Council and CCTV from Wyre Council.

12. Looking to the future it will be important to recognise that local government is changing radically. This will mean the council will have to think more ambitiously and embrace a different kind of local government, explored in detail throughout this report.

### **Financial planning and viability**

13. The council has a revenue budget of £9.3m in 2016/17. Unusually for district councils, this year the council has increased its revenue budget by £699,000. This increase is being used to manage increased demand pressures across a range of services. The council have managed the past years' reduction in the revenue budget as the Government's revenue support grant has reduced significantly. The council has also made a significant recovery from a major financial crisis in 2008. Progress since then is testament to the council's tight financial control and desire to achieve better value for money from services where possible.
14. The council currently has £10.3m of reserves (a proportion of which are earmarked for contingencies and risks). The council has been growing the size of its reserves for a number of years as part of a financially prudent approach. This included increasing the reserves by around £600,000 last year. The council can therefore deliver the work laid out in its corporate plan related to its five priority areas within its existing financial resources. However, the council has projected it will have a gap in the revenue budget of around £2.1m by 2019/20. This is a significant financial challenge for an organisation with the size of its current revenue budget.
15. There are opportunities for business rate growth on the horizon but there are also opportunities to meet the financial challenge by reshaping services, generating additional income (which the council has begun to look at), using the proposed devolution of 100% of business rates to councils and growing the New Homes Bonus. However, detailed plans have not yet been developed and the council needs to grasp opportunities in areas where significant financial savings can be made with likely limited negative feedback from residents. For example, the decision to not proceed with a proposal to charge for green waste in recent months has left the council needing to progress more radical savings or income generation plans in the future. There is likely to be value in revisiting this decision as part of the council's medium term financial planning to bridge the savings gap.
16. Income generation is significantly underdeveloped and there are opportunities to help make a better contribution to the council's financial position. Although there are a number of smaller, operational, ideas to improve income generation the council needs a better overall grip on taking a more commercial approach in the future and learning from other councils. The council will need to be less risk averse overall. The 2008 financial crisis dictated a particular approach to financial management. The issues from 2008 have now been addressed and the council,

whilst maintaining a sound financial approach, will need to be less risk averse in the future.

17. The council have examined its asset base as part of planning its longer-term financial position. This has included reducing its main buildings from five down to two and moving many services back into the Town Hall and One Stop Shop. It is good to see the council grasping the nettle on better use of its assets as part of its on-going drive to be a leaner organisation but a more ambitious approach could see the council reap even greater rewards for re-investment in the borough. As outlined earlier, the council has made good progress on securing value for money in many of its services. The council is better than average on value for money compared to other district councils nationally in a range of areas, including; spend on benefits administration, culture/sport, environmental services, housing and public health. This, combined with good service performance across many services, is a real strength of the council.
18. Overall, there is a need to bring forward a plan over the next few months for closing the financial gap which will occur from 2018/19 and use revenue more effectively. It will be important that the council does not defer or delay savings and income generation plans for the next couple of years. There is a need to make more specific plans to feed into next year's budget cycle.

### **Capacity to deliver**

19. Fylde is a small council. It has reduced from around 700 direct employees in 1999 down to around 250 today. There is a real love for the council from frontline staff and middle managers, many of whom are also local residents. Despite reductions in budgets and staff, morale appears to be very good. Staff have a realistic understanding that the council needs to change in the future. Staff sickness absence is low (around 6.2 days per employee). The council also use a competency framework to shape employee behaviours in a positive way and grappling with the fact that local authorities will need to be a different kind of organisation in the future, with different skills and behaviours in its workforce.
20. The council have an established a Ambassadors programme. This could be an excellent opportunity to empower employees to seek innovative solutions to challenging problems. It would be good to see the Ambassadors selecting some challenging issues/services and seeing what creative solutions, including different operating models for services and income generation ideas, they might have.
21. Over a period of time the council has undertaken process reviews to examine ways to improve the efficiency of services, reduce duplication and delays. This appears to be having an impact at an operational level and continues the council's on-going work to seek ways of making services leaner. The approach also embeds the 'lean' thinking approach within staff as a way of getting more capacity out of staff and building more resilience.

22. Like many local authorities the council has a skills gap in key areas which will be important in the future. As summarised earlier, understanding how to take a more commercial approach, generate greater income and build community resilience will be key issues for a different kind of local authority in the future. Currently the council undertakes options appraisals to examine the future operating model(s) for services. However, there needs to be a more permanent and embedded approach to these skills in the future either by developing the skill base of key employees or making a decision to buy in this capacity, for example, through a commercial director/team like some authorities have done. Some smaller councils like Colchester have taken a more comprehensive approach to developing a more commercial approach and there is likely to be useful learning for Fylde in examining approaches like this.
23. One part of the future approach to both make effective use of council capacity and manage the budget reductions will be to reduce demand for services (where appropriate). There are already some examples of this, for example, through the work of Customer Services and some wider channel shift work to reduce the number of face-to-face interactions. It is unclear to what extent the council intends to take the opportunity to manage the demand for services on its own and work with other public sector agencies including Lancashire County Council and health agencies. This opportunity could have a significant impact on the council's financial position if services are reshaped, alongside work with service users to manage the transition.
24. On transformation and 'digital switch' of services the council has made significant progress in terms of enabling customers to access many services online. Work on this is on-going with further proposals to expand the digital approach. The council has also been keen to offer greater home working and remote working opportunities for staff and understands there is further progress to make. To some extent, the reduction in the number of council buildings has triggered this approach, but it is another example of the council seeking to make better use of its capacity.
25. Fylde has a well-established approach to performance management. It has a clear process for tracking the performance of services and this is systematically reported to members and officers.

### **Capacity, abilities and potential of the administrative/political leadership**

26. The council has a Conservative Administration. It also has a significant number of Independent members which are the Opposition. The Leader was appointed in May 2015 when the council changed its governance system. The Conservative Administration has provided a steer on priorities and this resulted in the adoption of a new Corporate Plan in February 2016. The five priorities are understood by both members and officers.

27. In May 2015 the council changed its governance system, reverting to a committee system following a local referendum in 2014. The new governance structure appears to be evolving. Members are clear how the system works. The council created four committees to replace the role of the previous Executive. In recent months the council has undertaken an internal review to examine how effectively the new system is working and the review has indicated a small number of minor improvements to improve the efficiency of the system. The council would benefit from reflecting on the practice and approach of other authorities who have moved to a new governance system as part of this process to seeking on-going improvement and keep open to any further changes which may streamline the speed of decision-making in the future.
28. However, there is clearly a view from members outside the Administration that the new governance system has not led to more open, transparent and inclusive decision-making as they perceive it. In the view of the peer team, further improvements to decision-making should be focused on improving working relationships between members and member behaviours and not on the governance structure itself. There is scope for members working much more effectively across political groups but a history of discord between the Conservative and Independent Groups is hampering this improvement taking place.
29. At times relationships between the Conservative and Independent groups are fractious. This is disappointing as members appear to have much more in common about delivering good outcomes for local people, than their differences. Members could achieve more for their residents by setting aside their differences when appropriate and avoid seeking to draw officers into this political environment. All this can take place whilst not detracting from the robust and constructive challenge that opposition members should make in a democratically accountable organisation. The political groups may wish to consider holding an all-party facilitated session to further work up the detail of the ambition for the borough beyond 2020 and the LGA would be happy to help.
30. Overall, the council has a relatively large number of members (at 51) for a borough with a population of 77,000 and an organisation with a budget of £9.3m. It is not the role of the peer team to make recommendations on the number of members a local authority should have. However, some other local authorities have looked to reduce their number of members, including Knowsley who in 2016 have reduced their number of members by around a third (from 63 to 45). The key issue for the council is that it has the most appropriate number of members to run a modern and effective local authority. It would seem that now is the time to engage the Boundary Commission to review the current arrangements and explore the issue objectively and in more detail.
31. The council has an experienced senior management team. The biggest leadership challenge for the council will be to decide whether it wishes to maintain its current strategic direction delivering incremental improvement or change gear to a more

ambitious approach aimed at delivering strong outcomes for local people within the financial envelope of a reducing public sector budget.

32. The council is actively involved in the current discussions and work to develop a Lancashire Combined Authority. The development of the Combined Authority is a work in progress and the council have voted in favour of the proposal recently. There is an anticipation that a 'devolution deal' for Lancashire will be agreed over the coming months as the detail of the proposal is shaped. Over the coming months it will be important for the council to get a better understanding of what the 'devolution deal' might offer for Fylde (in this phase of the deal or future phases).

## **Overall strengths and weaknesses**

33. In summary, the council has a number of headline strengths on which it can build, including:

- Providing core services to a good standard
- Good value for money overall
- High satisfaction rates from residents
- Financially sound council – building up reserves as a buffer
- Lean organisation – pared down workforce
- Move to digital a good work in progress
- Passionate staff and good morale
- Cultural shift is evident
- Work delivering some good projects

34. In summary, the council has a number of headline areas for future improvement, including:

- Deciding what kind of council you want to be in the future - could be more ambitious
- Need to be a different organisation in the future - different operating models, more influencing, more commercial approach
- Resolve the tension between the economic development ambition and desire by many to 'preserve' Fylde
- Member relationships are key to making the politics work, not the governance structure
- Degree of risk aversion pervades
- Limited scope for further staff reductions
- Exploring the benefits associated with reducing the number of elected members

Finally, we would like to thank colleagues and members at Fylde, especially Alex Scrivens for his support in the lead up to the peer challenge and during the challenge itself. The council supported the process well.

Further on-going support is available through the Local Government Association's Principal Advisers, Neil Shaw (email: [neil.shaw@local.gov.uk](mailto:neil.shaw@local.gov.uk), tel: 07876 688987) and Gill Taylor (email: [gill.taylor@local.gov.uk](mailto:gill.taylor@local.gov.uk), tel: 0778 9512173). Neil will liaise with the authority in the coming months to explore specific issues the council may wish to be supported on.

### **Report contact**

Neil Shaw  
Principal Adviser  
Local Government Association  
email: [neil.shaw@local.gov.uk](mailto:neil.shaw@local.gov.uk)



## Corporate peer challenge follow up session

### Purpose

This paper captures the main issues and related next actions, which arose from the follow up session after the corporate Peer Challenge Review on 2 November 2016.

### Key issues under discussion

A wide ranging discussion was undertaken following a reminder of the key messages from the corporate peer challenge. There was general consensus that the key findings from the peer challenge were accurate. Fourteen members attended the follow up session and the key issues under discussion should be viewed in context. The following specific actions were agreed by the members in attendance to be explored further.

**Business rates** – enable all members to get a better understanding of the implications of changes to business rates and the impact on the council's future funding model. Members recognized that regular information has been provided on issues connected to the budget. However, a number of members are still clearly not aware of the changes to business rates which are very likely and what this will mean for the council's balance of funding between RSG, business rates and income. A briefing session for all members would probably be useful but this needs to be checked back with Group Leaders.

**A more commercial approach** – members picked up on the issue of taking a more commercial approach. This recognized some of the work already underway, but fundamentally, there was agreement that more needs to be done. Members recognized that the council's commercial skills were underdeveloped (like many other councils). There is likely to be a need to secure these skills from the market, rather than relying on these being developed within the organization (although there was discussion on the undoubted value in looking to do this as well). Any recruitment of an officer as a Commercial Manager (or similar) should be undertaken on a flexible basis i.e. a fixed term contract, with clear income targets set. Bringing forward a business case for this was supported by members.

**Enabling members to be more outward looking** – a small amount of discussion focused on members' perception that they are often unable to gain a good understanding of the wider metrics in Fylde, beyond data being reported directly by services. For example, members overall seemed to lack an understanding of the health of the Fylde economy e.g. level of unemployment, number of businesses. In other words, embedding key data in committee reports periodically would enable members to understand the wider picture e.g. health data in leisure service reports, economic data on reports on business etc.

**A more 'interventionist' council** – members discussed at length that the council often takes a 'passive' role in major areas. This is underpinned by members' own behavior e.g. a desire from many to preserve the borough or for the status quo. Members recognized that this often led to things happening to Fylde, rather than the council playing a role in making them happen or shaping events. For example, housing developers often approach

the council rather than members providing a clear and consistent steer on what they want (what kinds of development and seeking out developers likely to deliver it). The issue was not isolated to development. It was a wide ranging discussion which members agreed more often (but not all the time) that the council should be more 'interventionist' – providing a lead. Precisely what this means and how they would enact this needs greater unpicking and discussion with other members.

**Political leadership** – some discussion focused on relationships between members. The members in attendance agreed that relationships were often poor, although paradoxically most members found they could agree on specific operational/service issues more often than not with their fellow members. Members agreed they should seek to build better relationships between the Groups. They also acknowledged that some of this was personality driven (on all sides). Changes to the governance system have not delivered some members expectations about the nature of their individual (or Group's) role in the new system. All members need to recognize the political reality of a council with one party who has an overall majority. Before all members recognize the implications of this, there is likely to be little traction in improving relationships.