

# Corporate Peer Challenge **Worcestershire County Council**

18<sup>th</sup>-21<sup>st</sup> April 2016

Feedback Report

## 1. Executive Summary

The Council previously commissioned an LGA Corporate Peer Challenge in 2012 to test the ambitions of its new corporate plan and the intention to become a commissioning organisation. Notable progress and developments have occurred since then, and we were impressed by how much of what was proposed four years ago is now implemented. There has evidently been a change of gear and increased pace of change across the organisation. The commissioning approach has continued to develop and evolve, and a commissioning ethos is at the heart of how the Council operates. There has also been a clear track record of delivery against priorities, most noticeably the focus on 'Open for Business' where the Council can point to a plethora of successful initiatives and the realisation of several major infrastructure projects.

In common with many other local authorities, the Council has continued to face significant financial challenges over the past four years. To date it has responded effectively and successfully through sound financial management and the delivery of substantial savings and efficiencies which have helped to deliver a balanced budget. The Council has a grasp of the scale of the future financial challenge – including the immediate task of closing the budget gap for 2017/18 - and has started to plan accordingly in line with its ambition to become self-sufficient by 2020. There is nonetheless still a big job to do and we reiterated the importance of the political and managerial leadership remaining focused on this.

The political and managerial leadership of the Council are well respected, both internally by staff and externally by a range of partners and stakeholders. There is recognition and support for their ambitious and aspirational vision being pursued and it is clear that there is drive and energy to work with partners to develop a 'World Class Worcestershire' but also to make the County Council a world class organisation as an employer and partner. It is noteworthy that recent leadership changes – not least a new chief executive two years ago, and a change in leader three months ago – have not de-stabilised the organisation. Many describe the transition as seamless.

The overall direction of travel and strategy being adopted by the Council reflects that of many councils and the challenges they face. In light of the local context and national policy environment within which local government is operating, it makes sense that the Council is focussed on improving economic prosperity, health and well-being, and supporting children and families, whilst striving for financial self-sufficiency. Given some of the ideas, proposals and plans to achieve this are experimental and unproven, or are longer term as regards impact and return on investment, they will need regular review and refinement to ensure there is an appropriate balance and emphasis across the transformation programme so that it remains realistic, resilient and risk-based.

In doing this it is important to be mindful that there is already a lot of change and transformation happening across the organisation. There are numerous change initiatives with some indications that they are stretching the organisation's capacity and ability to deliver change at pace. A confidence and willingness to de-commission and de-prioritise where necessary will be required, as will ensuring there is a consistent and communicated narrative for change and realism from the leadership about pace. There currently appears to be some disconnect between top and bottom of the organisation about this.

To ensure it can deliver future priorities and ambitions there are some key areas – including commissioning, collaboration, and risk - where the Council must continue to build on recognised strengths to further develop and evolve approaches, practice and thinking. There is a need, for instance, to build on the notable progress to date, consolidate, and move to more outcome-based commissioning in order to avoid ‘old school’ contracting, and create space for innovation and genuine co-creation during the commissioning cycle, to ensure the best possible solutions and outcomes are achieved. Good communication and early engagement with the supply chain, partners and other stakeholders are essential elements of this.

The Council clearly has some good partnerships and positive relationships with external organisations and agencies. There is a real sense of ‘Team Worcestershire’. However, as ambitions and priorities evolve, relationships will need to develop too. Not all partners currently feel they are engaged and involved early enough in decision-making or proposal and policy formulation. The Council is aware of this, and that it needs to look at re-setting some relationships so that they are ‘future fit’, based on the principles of collaboration and co-creation, and are founded on a mutual understanding, trust and appreciation of the roles partners can play and the value they can add.

Innovation and experimentation are rightly seen as a vital ingredients for the continued transformation of the organisation and the successful delivery of future ambitions and outcomes. To support this, there may be a need for the Council to re-calibrate its appetite for risk - accepting that there will inevitably be some failures and the requirement to take a ‘leap of faith’ on some concepts where there is not a comprehensive evidence of impact and return on investment. This will be particularly important as the concept of demand management is developed further.

There is without a doubt a great deal of enthusiasm and an appetite to develop demand management at Worcestershire, which has resulted in some impressive early thinking and examples. Whilst the overall need and intention to reduce demand on services makes sense to everyone, there is now a need to further develop and clarify the understanding and expectations. In particular, there is a necessity to create a broader understanding and coherence across organisational boundaries, address negative perceptions of intent, and consider how best to get more pace and traction in implementing the Council’s ambition.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

- 1. Use the opportunity of the Corporate Plan refresh to ensure a focus on places and people, and articulate a new relationship with residents around expectations.** Develop a narrative about the new and different relationship and expectations required to deliver the emerging aspirations on demand management, and articulate how the outcomes the Council is striving for in terms of its priority areas (economic prosperity, health and well-being, safeguarding) will help promote and support self-reliance and resilience, and reduce demand on diminishing resources.
- 2. Stay focused on the current financial challenge and also the longer term strategy required.** Continue to be confident, but not complacent, in responding to the challenge. Ensure the longer term strategy includes robust scenario planning and resilience to cope with unforeseen impacts and national policy changes.
- 3. Review the number of initiatives and projects to make sure they are all delivering your priorities.** De-commission and de-prioritise where necessary. A consistent and communicated narrative for change continues to be needed, including reassurance that the political and managerial leadership is realistic about the pace at which change can be achieved.
- 4. Create more space and opportunities for innovation.** Build on the current initiatives and practice already in place, and also consider how more opportunities can be built into how the Council engages and involves partners, residents, suppliers, and other stakeholders.
- 5. Continue to evolve and refine the approach to commissioning to ensure earlier engagement and co-creation** of the best possible solutions. Involve and engage potential suppliers, partners and other stakeholders about the challenge, not the specification.
- 6. Consider whether the approach to taking calculated risks to deliver ambitions needs re-calibrating.** The Corporate Business Board should ensure there is an acceptance of failures as well as successes, and the need to take a 'leap of faith' on some proposals where there is not a comprehensive evidence of impact and/or short term return on investment.
- 7. Gain a broader consensus about demand management with external organisations, partners and residents.** Further engage and involve others to create a common understanding and buy-in across organisational boundaries, and to challenge negative perceptions of intent. Success will hinge on a system-wide approach as there is a risk otherwise of merely displacing current demand across partners rather than mitigating future pressures.

### 3. Summary of the Peer Challenge approach

#### The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the Council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with the Council. The peers who delivered the peer challenge at Worcestershire County Council were:

- Deborah Cadman OBE – Chief Executive, Suffolk County Council
- Councillor David Hodge – Leader, Surrey County Council
- Jane Burns – Director of Strategy & Challenge, Gloucestershire County Council
- Darra Singh OBE - Partner (government and public sector), EY (*acting in a personal capacity*)
- David Forster - Head of Risk, Zurich Municipal
- Paul Clarke – Programme Manager, Local Government Association (LGA)
- Hannah Boylan - Programme Officer, Local Government Association (LGA)

#### 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. 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?
4. 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?
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 the peer team were asked to provide feedback on the Council's ambitions for demand management. In particular, peers were asked to provide their observations on:

- The emerging plan for demand management – does it make sense, and is it focussed on the right things?
- How to get more pace/traction in implementing the ambition, ensuring organisational ownership

### **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 an extensive 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 and a half days onsite at the Council, during which they:

- Spoke to more than 120 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 40 meetings and additional research and reading.
- Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending nearly 7 weeks in Worcestershire 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 (18<sup>th</sup>-21<sup>st</sup> April 2016). In presenting feedback to the Council, 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 the Council is already addressing and progressing.

## 4. Feedback

### **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?**

The Council has a good grasp of the local context and the issues, challenges and immediate priorities for the place. The Corporate Plan – ‘Worcestershire FutureFit 2013-2017’ - sets out a clear narrative and priorities for the County which have been informed by a range of data and analysis, consultation and engagement, and political vision and ambitions. Given the local context and national policy environment that all councils are operating in, the focus on improving economic vitality and prosperity, promoting health and well-being, maintaining the quality of the environment, and safeguarding and supporting children and families, whilst striving for financial self-sufficiency all appear relevant.

There are a range of plans, strategies and campaigns – many of which have been developed with partners and relevant stakeholders – that provide the basis for delivery against the stated priorities, in particular the focus on ‘Open for Business’ which was cited as the number one priority during the Peer Challenge in 2012. The Strategic Economic Plan (SEP), developed through the Worcestershire Local Enterprise Partnership (WLEP), sets an ambitious vision for the county and has helped deliver several key transport infrastructure schemes and established the ‘Game Changer’ programme to identify and agree the development sites that are of biggest regional significance. This appears to have been key to making the County ‘open for business.’

The Council has also played a key role in developing ‘World Class Worcestershire’ campaign which is starting to stimulate interest from potential business investors and visitors. And there are lots of other programmes and initiatives that illustrate delivery against the other Corporate Plan areas of focus such as the Worcestershire Careers Central Portal, and the Driving Home Programme which has seen the Council commit additional capital funding to roads maintenance – an issue it knows is a top priority for residents across the county.

The Council is prudently starting to consider a review and refresh of the Corporate Plan. It is keen to make sure the strategy planning process utilises and builds on the commitment and track-record of conducting extensive consultation and engagement activities through its Viewpoint surveys (staff, members, residents) and engagement with the business community via the Chamber of Commerce. There is also a commitment to ensure the process is data-driven and evidence based, and a recognition that there needs to be a bigger focus on forecasting the impact of demographic changes. The latter will, of course, be critical to designing and delivering services and activities in ways that help reduce reliance and demand on the State.

The refresh of the Plan is an opportunity to review the balance of the action, activity and investment that is focussed on developing the ‘place’ and ‘people’. Understandably the emphasis has been on place shaping in terms of physical development and infrastructure. A new narrative that focusses more on the new and different relationship required between council and its residents and communities to deliver the emerging aspirations on demand management could be at the heart of the new Plan. It is an

opportunity to articulate how the outcomes the Council is striving for in terms of its existing priority areas (economic prosperity, health and well-being, etc.) will help promote and enable self-reliance and resilience, and reduce the demand on diminishing council (and public sector) resources.

**Leadership of Place: Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?**

The LGA Corporate Peer Challenge in 2012 suggested there was an appetite from external partners for the Council to provide stronger civic leadership, including the Local Enterprise Partnership and the concept of 'place shaping'. The political and managerial leadership have evidently acted on that, and feedback from a range of partners suggest the Council now provides strong civic leadership to the county through a range of partnerships relationships and initiatives – for example a revamped Worcestershire Partnership, Health & Well-Being Board, Shenstone Group, World Class Worcestershire and Worcestershire: Next Generation. The Council is also actively involved in region wide place-shaping and partnership initiatives such as the 'Midlands Engine' and Midlands Connect.

The Council clearly has some good partnerships and positive relationships with external organisations and agencies, and there is a real sense of a 'Team Worcestershire' ethos, whereby key partners and stakeholders are regularly engaged and involved in shaping shared ambitions for the future around key issues and challenges. A good demonstration of this are the discussions led by the Council around developing a case for Devolution for Worcestershire, working collaboratively with the six district councils, WLEP, Police and Health. Whatever the outcome of the bid there seems to be a good basis for taking forward shared aspirations – particularly around economic growth and public sector reform.

There are also examples of partnerships that are delivering real impact on the ground. As we noted earlier, the Strategic Economic Plan – developed through the WLEP - has acted as a real catalyst to demonstrate the Council and County is 'Open for Business' and is enabling the delivery of major projects that have helped, and will help, to shape the local economy and promote growth.

There is an obvious desire from the Council to consult, engage and involve. However, there is a perception from some partners (e.g. health, voluntary sector, district/borough councils) that conversations and involvement are not always sought early enough to facilitate genuine co-creation of solutions and enable them to contribute fully to decision-making or proposal and policy formulation. It often feels as though decisions have already been made, and that partnerships do not feel collegial and collaborative as they need to be to co-design and innovate to improve services and outcomes as part of the commissioning cycle.

The Council is aware of this, and knows it needs to look at re-setting and evolving some relationships so that they are 'future fit.' Relationships will need to be based on the principles of collaboration and co-creation, and be founded on a mutual understanding,

trust and a better appreciation of the roles partners can play and the value they can add. This will help better utilise and harness the willingness and readiness of partners to help.

As the Council continues to develop its thinking on demand management a clear vision and narrative about the kind of society the Council wants to see in Worcestershire is needed, along with an open dialogue about expectations regarding the roles of residents, voluntary sector and other partners. As both demand management and commissioning evolve further there is scope for them to focus increasingly on the whole system.

**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?**

In common with many other local authorities, the Council has faced significant financial challenges over the past four years. It has responded proactively and successfully and has delivered substantial savings and efficiencies (over £100 million since 2010/11) which have achieved balanced budgets. Savings targets have consistently been met, demonstrating a track record of 'hitting the numbers' as a result of sound financial management. This has led to an innate belief amongst members and officers that the Council will always close the budget gap.

Confidence in the organisation's ability to deliver the required savings is of course a positive, but the challenge that remains (a further £100 million savings by 2019/20) cannot be under-estimated. The Council does appear to have a grasp of the size of the challenge going forward. There is a clear narrative and good levels of awareness across the organisation of the need to achieve a further £25 million (approx.) savings per year through to 2019/20.

The political and managerial leadership are in no doubt that the key immediate challenge is how to close the gap (£34 million) for 2017/18. The conversations at Corporate Business Board (CBB) about this have started early, with a range of ideas and options being identified for further consideration – both in terms of their potential to achieve savings, and also the organisation's ability to develop and deliver them. Focussing on how commissioning, demand management and new ways of working can help to achieve savings is in tune with the approach being taken by many other councils, and we encourage the Council to continue to seek learning from the sector as it further explores the potential options.

It is important the Council remains focussed on the challenge, particularly if it is achieve the aspiration to be self-sufficient from Central Government grant. We think this aspiration will require greater commercialism, and more innovative investment strategies – such as through the Place Partnership Ltd which has potential to look not only property and asset rationalisation across the six public bodies, but also explore and exploit potential revenue streams.

The longer term strategy will need to include robust scenario planning and resilience to cope with unforeseen shocks and impacts of planned national policy changes – such as business rates system reform and the outcome of the devolution bid. In addition, some of the financial planning tools and options you are considering alongside the budget

savings, efficiencies and income generation - such as approaches to raising Council Tax, impact of house building on Council Tax yield, and the funding flows from central Government (e.g. Better Care Fund) - will need closer working with district/borough councils and other partners.

Changes to the corporate strategy planning process have helped to enable financial planning to be better aligned with the delivery of the vision and priorities – so addressing the options for budget-setting is no longer the sole driver of financial planning. In that sense, the finance function is now seen as an ‘enabler’ rather than ‘keeper’. There is still more to do in terms of ensuring shorter term budget decisions are aligned with longer term aspirations. For example, we picked up on some perceived confusion about cuts to preventative services (e.g. alcohol prevention) that seemed at odds with the explicit and espoused priority around prevention which is at the heart of the emerging thinking on demand management.

**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?**

The political and managerial leadership of the Council are clearly well respected by staff and partners. There is recognition and support for their ambitious vision, and for their drive and energy to make the Council a world class organisation as an employer and partner. It is noteworthy that recent changes to the senior leadership, including a new chief executive two years ago, and a change in leader three months ago, have not destabilised the organisation. Many people we spoke to describe the transition as seamless.

We observed positive and constructive relationships between elected members and officers. The Council recognises the importance of a regular dialogue, consideration and challenge on finance, performance and reputational risk. The monthly Corporate Business Board (CBB) meetings are one mechanism that enables chief officers and Cabinet members to do this. The meeting we observed, for example, considered progress and next steps as regards demand management and financial self-sufficiency. Weekly ‘Star Chamber’ meetings have also been introduced to ensure cabinet members and directors have an oversight of key FutureFit programmes and projects.

We also saw a strong Cabinet that is providing clear political leadership. CMRs (Cabinet Members with Responsibility) appear to be on top of their brief and there are clearer lines of accountability. For example, through the Balanced Scorecard ownership of the Council’s performance measures now sits with Cabinet members who are held to account through the CBB and Overview and Scrutiny.

Overview and Scrutiny (O&S) has evolved and improved since the previous Peer Challenge when the peer team suggested there was capacity to strengthen the role further, particularly through a greater use of pre-scrutiny in policy development. We heard about several positive examples of this, including work on libraries, youth services, archive service, and children’s centres which have helped shape Cabinet decisions. Members we spoke to were enthusiastic about the role of scrutiny, and it is apparent that Cabinet value

the contribution it can make. Whilst ensuring that the O&S Performance Board and the four O&S Panels are able comment on strategic matters (e.g. 0-19 services tender, devolution bid), contribute to quality assurance, and hold decision-makers to account, there is also a clear commitment that they are positioned to respond to the voice and concerns of the public – and we were impressed with the recent public consultation exercise, involving 3,000 people, to inform the O&S work programme.

The Wider Leadership Team (WLT) – established as a forum to enable Heads of Service to share and discuss the key corporate and cross-cutting delivery challenges such as commissioning and transformation projects – seems a good idea and is generally welcomed by managers, albeit it is yet to be fully embedded. We know the format and function, and how it might develop further, is being looked at and we encourage the Council to ensure it remains positioned to build organisational buy-in to emerging proposals for change, sense check the ability of the organisation to implement them, and continues to break down silos.

There is obviously a lot of change and transformation happening across the organisation. We heard about an extensive array of change programmes, projects and initiatives – and we were impressed with the levels of passion, enthusiasm and innovation we encountered. However, we were left with a clear impression that the volume, range and pace of change is stretching the organisation's current capacity and ability to deliver. This could well be as much about pace and sequencing as it is about the extent and range of change. Either way, it may be prudent to review and be willing to de-commission and de-prioritise where necessary.

There is a perception amongst some staff that change is driven and implemented via projects and initiatives, and consequently feels like a 'start-stop' process rather than a culture of continuous change. This may be causing some to feel weary and confused about priorities. A consistent and communicated narrative for change continues to be needed, including reassurance that the leadership is realistic about the pace at which change can be achieved. There currently appears to be some disconnect between top and bottom of the organisation about this. In continuing to communicate, consider the 'soft' channels that can be utilised in addition to the range of well-established mechanisms already utilised (CEO Podcasts, roadshows, newsletters, etc.)

**Capacity to deliver: Is organisational capacity aligned with priorities and does the Council influence, enable and leverage external capacity to focus on agreed outcomes?**

The Council has shrewdly invested in corporate capacity and expertise to support and implement change and transformation across the organisation. There are specialist business analysts, data intelligence and project managers available to support services in designing and delivering change, and this capacity is assigned to high profile and complex programmes and projects (e.g. Lync, Family Front Door and Your Life, Your Choice). This is helping to ensure change is delivered using a consistent approach that is focussed on the customer. It is also notable that the Council has invested in other skills and capacity critical to the delivery of the Council's transformation – in particular commercial skills (a recommendation from the last Corporate Peer Challenge).

Both the political and managerial leadership appreciate the importance of investing in the organisation's staff. There are some impressive emerging plans regarding talent management and workforce development – led by the Head of HR and overseen by the recently established Workforce 2020 Board. Plans include a Graduate and Apprenticeship Programme, Leading for the Future Programme, and the Insights Programme to increase the understanding of management behaviours and style. All of this seems rational and relevant given the key workforce challenges identified – i.e. skills shortage hotspots (e.g. social workers and commission experts), succession planning, new skills and behaviours – including those required of managers (such as relationship management, negotiation, engagement) - and the potential over-reliance on some individuals. Implementation will need appropriate sequencing and pacing to avoid initiative overload.

The Council has shown a willingness to commission, outsource and share services to achieve efficiencies, improve outcomes and increase resilience. Some key back-office and enabling functions such as HR and Finance services which are now delivered by third party (Liberata), while Learning and Achievement Services have been outsourced (Babcock). The Place Partnership Ltd looks to be an innovative arrangement set to contribute to more efficient strategic property and asset management, and (as mentioned previously) has potential to establish income streams for the Council. There is also a shared Internal Audit Function with Warwickshire County Council, set up to deliver economies of scale and mutual learning.

There has been a tangible effort to deliver more by digital means. There is a good understanding of the role that digital delivery has in supporting the culture and organisational needs of a more commissioning-based organisation by delivering applications that are customer focused and enable self-service. There is an ambitious plan for 100% of information and transactional based services to be online by 2017 and some notable progress made toward that (75% of services). It is not clear, however, whether the digital agenda is to be part of the overall demand management strategy.

There is a recognition that there is more to do to harness the capacity of district councils, parish councils and the Voluntary and Community Sector (VCS). These will be key stakeholders in terms of demand management and will need to be engaged and involved appropriately. There is a more immediate need to build on the notable progress to date, consolidate, and move to next generation of commissioning in order to avoid retrenching back to 'old school' contracting. Good communication and early engagement with the supply chain, partners and other stakeholders - perhaps via 'problem statements' rather than fully formed specifications - will create space for innovation and genuine co-creation that will ensure the best possible solutions and outcomes are achieved.

The recent annual staff survey, completed by half of employees (49%) provides the Council with a good 'sense check' of organisation awareness and buy-in to the vision and priorities, and how recent restructuring and initiatives such as FAME have been received. Whilst there is lots of positive feedback, we experienced some dissonance between staff survey results and the feedback we received regarding about levels of morale, anxiety and concern. This should be taken in context, but should be considered. Staff also see the need to further break down silos to improve effectiveness, but importantly want to be part of doing that.

## **Demand Management: overall context and feedback**

As demand for public services continues to increase, and council budgets continue to reduce, 'demand management' is becoming an increasingly critical challenge for many councils and the wider public sector. In providing feedback and observations the peer team and Council recognise that this is a relatively new area with a limited, but growing, array of examples and evidence of impact.

Demand management is not a quick fix or 'silver bullet'. It is fundamental shift relationships between council and resident, and the interactions with partners and other stakeholders who work with, and on behalf of, the Council to deliver services and outcomes. Expectations and roles will need to be reset and adjusted. The planned refresh of the 'FutureFit' Corporate Plan is an opportunity to engage about this required 'future shift' in those relationships, interactions and expectations.

Having developed its initial thinking, and made a commitment to proactively manage the demand for its services, the Council knows it now needs to focus on reaching a common understanding, clarify expectations and communicate clearly its emerging strategy and intentions, not just within the organisation but with partners and stakeholders. Success will hinge on a system wide approach, as there is a risk otherwise of merely displacing demand rather than reducing it.

Getting the right data will be vital. Prediction is by its nature challenging and will require experimentation, and a "leap of faith" will be needed on occasion, as not all decisions to invest Council resources can be based on comprehensive evidence of impact and return on investment. So there may be a need for the Council to re-calibrate its appetite for risk, accepting that there will inevitably be some failures along the way. It will need to carefully consider how much of the medium term savings requirement is predicated on reducing demand for services.

The Council clearly has enthusiasm to develop the concept of demand management further, and some of the work to date is impressive. There is an acknowledgement that thinking is still at a relatively early stage, but a willingness to learn from others to develop the intentions further. We encourage that to continue.

### **Does the Council's plan and ambition for demand management make sense? Is it focussed on the right things?**

The context and strategic drivers for exploring demand management is well understood. People appreciate that over the coming years the Council will face significant financial and demand challenges, and that simply responding to that increasing demand is not a sustainable approach. There is an acknowledged need for the Council to think and act differently, and an appreciation of why demand management is a key theme of the FutureFit 2020 transformation programme. The current working definition focussing on 'effective prevention by predicting future needs' makes sense as an overall premise and statement of intent.

The Demand Management Strategy endorsed by Cabinet in November 2015 provides some helpful clarity about the objectives and assumed benefits of pro-actively planning and responding to the demand challenge. It sets out the proposed action required to pursue and achieve those benefits – including developing a better understanding and forecasting of demand, building organisation understanding, culture and capacity, developing a collaborative approach with partners to enable whole system change, and getting things right first time. All of these are reasonable and relevant components of the Strategy, and we agree that progressing each of those will be critical.

Understandably, given the relatively early stage of the Council's thinking, progress against each of the above components has been patchy and piecemeal to date. While there is a common definition, demand management currently means different things to different people across the organisation. Many see it relating specifically to work relating to social care - which of course is where the initial focus has justifiably been. But few people were able to articulate an understanding of the intent to develop it further so that it becomes part of the organisation's overall mind-set.

There is also more work to be done to create broader understanding of demand management across organisational boundaries and to challenge negative perceptions of intent. We know there is an intention to theme the programme of work around Council, partners and residents which will undoubtedly start to address this. And we acknowledged the consultation undertaken as part of the resident roadshows last year about the prioritisation of resources on different preventative activity and services. Notwithstanding this, we suggest there is a need to more explicitly reference the fundamental change and re-setting of relationships and expectations between council and residents as part of the vision and strategy. We think this is at the heart of what the Council is striving to do, but does not come across as clearly as it needs to.

The Council has chosen to introduce demand management as a distinct programme as opposed to integrating into other initiatives such as commissioning. There are strengths of this approach including clearer ownership, accountability, branding. But there will be a need to consider how it effectively incorporates or encapsulates all of the projects, initiatives and activity that contribute to demand management, to ensure coherence, linkage and read across. For example, how does intention to ensure easily accessible advice and information is available to help people help themselves as part of the demand management strategy explicitly linked to the digital strategy? How does demand management link to commissioning? We know there is a desire to ensure all services commissioned have the flexibility to change to changing demands and outcomes, but does this message need to be emphasised more as part of the narrative on demand management?

### **Demand Management: How does the Council get more pace, traction and organisational ownership?**

There has been notable progress to date which should not be overlooked. The Council has enthusiastically embraced the notion of managing demand and re-modelling services to empower and support communities and self-sufficiency through initiatives such as 'Act Local' including the Parish Lengthsman Scheme, locally-led community libraries and 'Positive Activities'. Internally within the organisation there is good ownership of the

concept amongst officer champions – ‘the converted are all on message’ – and good buy-in from the Cabinet.

Notwithstanding the above, there are number of things we think the Council can do to gain more pace and traction as it looks to make further headway with its’ thinking and strategy on demand management. Some of these have been mentioned already given they are essential to delivering ambitions and priorities more generally.

We suggest there is a need for greater clarity, ownership and accountability. This can be achieved through a lead officer being at the ‘top table’ to ensure that demand management is a key part of the continued discussion and debate regarding longer term financial planning, delivery of wider transformational priorities and outcomes, and strategic risk management. In particular, we think there is a need to review the range of projects, services and initiatives which are considered and/or identified as part of the demand management programme, particularly as the activity evolves beyond the social care focussed programmes (0-19, Connecting Families, Family Front Door, etc.). There may be a need to consider and ensure the approach and appetite to taking calculated risks matches the ambitions for demand management.

Linked to this is a need to further develop the detailed delivery plan. This will need to better articulate the timeframes for delivery and help clarify what is to be done quickly and what needs to take longer. The latter is important as we got the sense that you are working at two speeds – the top of the organisation is much faster than the rest and there is a need to move together. A longer term focus will need to be maintained. This may become challenging as the shorter term financial pressures become more acute.

Engagement and involvement of public sector partners and residents will be critical in order to gain further pace and traction. A system-wide approach to demand management will be needed, as there is a risk otherwise of merely displacing demand to other partners rather than mitigating future demand across the system. Currently, this does not appear to be well understood or communicated more broadly. Earlier involvement and collaboration will better support system wide transformation. Similarly demand management needs to be seen as an embedded in the commissioning approach, with partners and the supply chain being engaged on an issue or challenge with a view to co-creating a solution rather than on the more traditional basis of seeking responses to a specification or proposal.

It is clear that there is a desire to learn from others. We encourage this to continue, and suggest there is learning from other councils, but also the private sector as regards their use of customer insight and predictive analytics to forecast and plan.

## **5. Next steps**

### **Immediate next steps**

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Helen Murray, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Tel. 07884 312235 and Email. [helen.murray@local.gov.uk](mailto:helen.murray@local.gov.uk)

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### **Follow up visit**

The LGA corporate peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and 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.